

The NATIONAL UNDERWRITER

Life Insurance Edition

**"THIS YEAR, LET'S PAY THE BONUS
IN WAR BONDS"**



... and drive even harder on the pay-roll savings plan!"

Make War Bonds the Christmas Order of the Day. Urge your workers to make their personal Christmas gifts in the form of War Bonds—and practice what you preach! Make this a 100% War Bond Christmas—to insure future Yuletides of peace and prosperity.

Make up your own posters to spread the "War Bonds for Christmas" story across your plant. Tell the story again and again on bulletin boards, in your plant magazine, and on pay envelope stuffers.

But don't forget your basic, all-important Pay-Roll Savings Plan. How's it going, these days? Perhaps it needs a bit of stoking-up right this very minute, to hold its full head of steam against the competitive demands of the holiday season.

Well, you're the man to stoke it! You can't expect it to keep running indefinitely on last summer's enthusiasm. See to it that your participation percentages, and your deduction percentages, *both* end up the year at new levels.

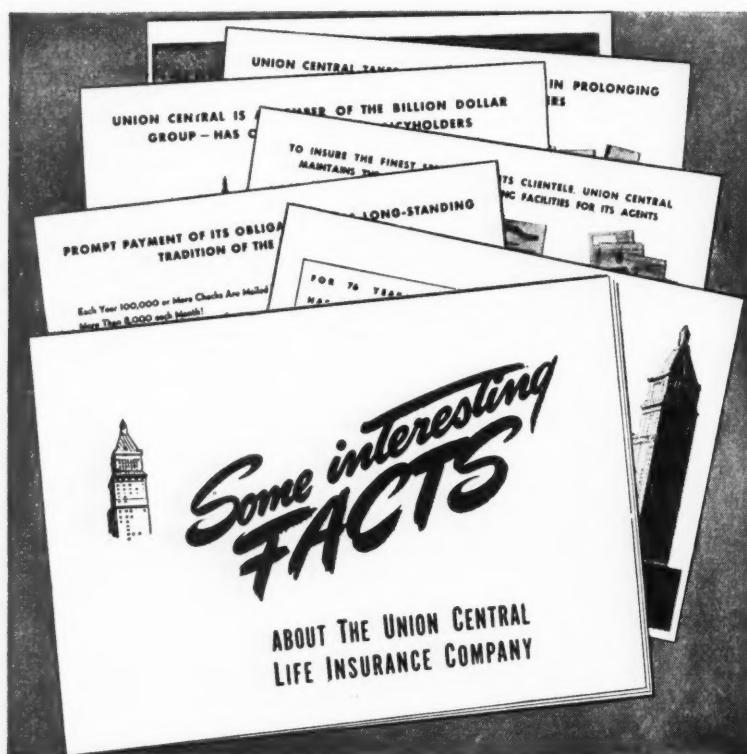
Every month, now your Pay-Roll Savings ought to run well ahead of the preceding month. *For so many families that formerly depended on the earnings of a single worker, now enjoy the combined earnings of several.* Such family incomes are doubled, trebled, even multiplied many times.

Now's the time to turn as much as possible of these increased earnings into War Bonds—War Bonds for Christmas . . . and War Bonds the whole year 'round!

GIVE THE PRESENT WITH A FUTURE—WAR BONDS!

FRIDAY, NOVEMBER 19, 1943

A FINE EXAMPLE of the "EVERY WEEK" sales help U. C. gives its agents!



This booklet, specially prepared for Union Central agents, is just one more of a long series of potent sales aids provided them by their home office sales promotion department. It is packed, from cover to cover, with interesting, saleswise, important vital statistics about this famous old company. Material that cannot fail to make an impression

on prospective clients and on policyholders.

This "Book of Facts" is simply another example of the aggressive assistance U. C. agents get regularly, week after week . . . to help them sell, to help them make more money. No wonder the trade knows Union Central as "a real *agent's company*!"

**THE UNION CENTRAL LIFE INSURANCE
COMPANY
CINCINNATI, O.**

...pioneering—
for profit!

Opening new territories under today's conditions . . . developing untouched premium fields . . . can still be a profitable venture. Continental Assurance has a highly effective kit of sales tools for helping you pioneer in fields in which you may not now be active . . . plus a brand of "down-to-earth" sales cooperation that gets results! Ask us to show you how Continental can help you push back *your* business frontiers.

Nationally Known for Strength and Growth

Continental
ASSURANCE COMPANY
CHICAGO, ILLINOIS

Affiliates:

CONTINENTAL CASUALTY COMPANY
TRANSPORTATION INSURANCE COMPANY

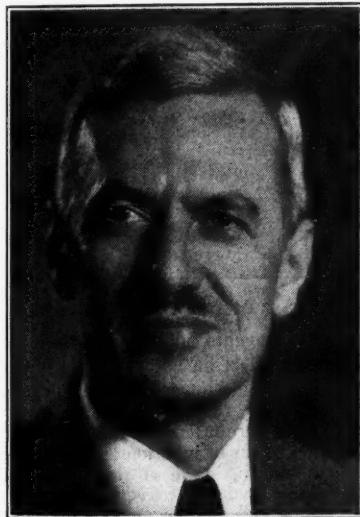
Urge Agency Chiefs to Hold Gains

Attainment of Fit, Successful Field Force Is Aim

Higher Commissions No Substitute for Good Management: McConney

A preview of the compensation committee's fifth report was given at the meeting of the Research Bureau-Agency Officers in Chicago by E. M. McConney, vice-president of Bankers Life of Iowa.

The first major conclusion of the committee, he said, is that no commission contract will put money into the agent's pocket unless management in home office and field has accepted its



E. M. McCONNEY

respective responsibility. Management must see to it that the agents earn a living that is adequate to their own standards, creditable to the industry and favorably comparable to what could be earned with equal effort and ability in other businesses.

Must Coordinate Incentive

The second big conclusion is that every company must coordinate its compensation incentive with the objectives of the company so that no one objective is over- or under-emphasized. The compensation should bear a logical relationship to the work involved and the value of the results achieved.

The committee concludes that there is no one standard compensation plan which will be ideal for all companies. The solution can only be reached when a company realizes that it has an individual problem. When the plan is adopted after careful study one should stick with it for a long time to test it thoroughly.

No Substitute for Good Management

Higher commissions, he said, are not a substitute for good management and conversely better management will re-

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Deplores Drift to Home Office Control of Agent

W. R. Jenkins Declares His Independence Must Be Maintained

The trend toward greater assumption of the agent's risks by the home office and increasing loss of the agent's independence as a contractor were deplored by W. R. Jenkins, sales director of Northwestern National Life, in his talk before the Life Agency Officers-Sales Research Bureau meeting in Chicago. He urged agency executives to reexamine the real strength of the independent contractor relationship which has been the keystone of the American agency system. Although managers have probably always been guilty of permitting some degree of dilution of that system, he said, it has flourished best for the companies and has produced the most satisfactory results both generally and for the individual agent.

Mr. Jenkins' talk was generally regarded as the outstanding performance of the convention, and it elicited a great deal of comment and applause.

Cost Impossible to Control

Transfer of the agent's risks to the home office has come about through advances, subsidies such as minimum guarantees or service fees, salaries, etc., he said, and as a result management gradually has drifted into an anomalous state in which costs are impossible to control. He said that when there is an outright salary or salary plus commission basis with the agent more or less completely controlled by the salary provisions, the independent contractor system is as good as washed up. The process of dilution, brought on and accelerated by the depression, unfortunately feeds on itself, he said. The deeper management becomes involved as a creditor or subsidizer of agents or agencies, the more control management insists it must have, Mr. Jenkins asserted. The agent begins to accept the blessings of liberal loans and subsidies and when his thinking gets set in that groove he quickly learns he can bargain for a better deal. This involves management in a wasteful competition for profitable outlets, with larger and larger advances, subsidies or salaries necessary to secure them. To the normal risks inherent in an independent contractor system are added the evils of wasteful competition for outlets, he said.

"Our general attitude on this question and the course we set today will determine what the American agency system will be tomorrow," Mr. Jenkins declared. Now that sales have taken an upturn of their own accord, management should decide in which direction it shall go, toward assumption of the entire risk by the home office with consequent home office control and regimentation of agents' activities to make that assumption of risk warranted, a course which a number of agents seem to be advocating in their demand for more security, or on

a directly opposite course, attempting the long and arduous road back to the truly independent contractor status of agents.

This trend toward centralization of control in removing the risks of life for everyone is characteristic "desperation thinking" of the type exemplified in national affairs in the past 10 years, Mr. Jenkins stated. He said that the only cure all for troublous times is not in preventing men from taking risks and centering all decisions and control in the hands of a few people at the top, even if those people are insurance executives and not politicians.

He suggested that it may be an unwarranted conceit for management to take the whole responsibility for agency operations, plus the risks, into the home office. He does not think home office agency management is so omniscient and omnipresent that it can dictate methods which will insure the success of men now failing as independent contractors. Nor does he believe that management can meet the varying circumstances of market, ability and industry of hundreds of scattered local outlets in this way.

To follow the trend toward centralization will be to run the danger of ending up with "just another sales job," the kind that the successful agent quits in order to find the independence, unlimited future, permanence and dignity of life insurance selling, Mr. Jenkins went on. If the home office assumes the agent's risk, his rewards must ultimately be

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W. R. Jenkins

Research Bureau, Agency Officers in Chicago Parley

Save Model Conditions Engendered by War Is Big Plea

By LEVERING CARTWRIGHT

At each of the annual meetings of the Sales Research Bureau and Life Agency Officers Association there is a remarkable integration of the messages that come from the platform. This is due to the fact that John Marshall Holcombe, Jr., the manager, and others at the bureau, by correspondence and conversation make an X-ray picture of the anatomy of the agency system, discover its current condition and determine the tonic that should be administered.

The speakers are, in a sense, indoctrinated with Mr. Holcombe's findings and his program, which is, of course, a composite of the objectives of the most progressive agency leaders. Accordingly the speeches complement one another, one address fortifies another and there recur throughout the program messages that summon the agency executives to take a certain line of action.

Message of 1943

This week at the Edgewater Beach Hotel, Chicago, the message was that, as a result of the war, a model situation has been brought about in the agency field—marginal producers eliminated, high average earnings per agent, amazing persistency of business, and that all hands should resolve to perpetuate this condition after the war by maintaining a highly selective recruiting policy, by providing such training, coaching and supervision that the best type of returning soldier will be attracted to the business. It was epitomized by B. N. Woodson, assistant manager of the bureau, who said the business has been "blitzed" into an almost ideal condition and it is imperative to go forward from that level and not to settle back into the old ways.

Exceptional interest was taken in the report of the compensation committee by E. M. McConney of Bankers Life of Iowa. The significant features of that report, to many in the audience, were first that the apprentice agent, when properly selected, trained and directed, should receive some form of compensation and supervision which will enable him to meet a reasonable budget without going into debt, and secondly, that 10 of the 24 size A companies, using the bureau's classification, have recently adopted new plans in the general pattern of the basic principles enunciated by the committee.

Salary One Alternative

As to the apprentice agent, he said, to pay a salary, non-repayable advances, etc. will place the apprentice in an employe status, and then all the legal requirements and responsibilities of that status, such as social security, public liability, workmen's compensation, etc.

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House Committee O.K.s Bill; Senate Postpones Action

Vote on Walter Bill Is 16 to 5; Celler Writes Minority Report

WASHINGTON—At the request of Senator Murdock, Utah, who was absent, the Senate committee on judiciary on Monday postponed action on the bill to exempt insurance from the anti-trust laws.

Chairman Van Nuys, who had reported the bill favorably and unanimously last week from subcommittee, stated the full committee discussed the measure, but that its rule calls for postponement of action whenever any member requests.

Van Nuys said the bill will go over at least 10 days. The committee meets on Mondays.

Senator O'Mahoney, Wyoming, announced: "I have numerous considerations on the insurance bill I want to present." He has introduced a federal corporation licensing bill.

It is understood that if pressed for action last Monday, the insurance bill could not have obtained a majority vote.

House Committee's Vote

The House judiciary committee Tuesday voted 16 to 5 to report favorably House bill 3270 sponsored by Representatives Walter of Pennsylvania, exempting insurance from the anti-trust laws. Mr. Walter was expected to file the committee's report, in the preparation of which Representative Hancock is collaborating.

Before ordering the bill reported, the committee voted to strike out the preamble.

The House majority report was expected to be submitted promptly, probably by Walter.

The minority report against the bill was received in Washington Wednesday from Representative Celler of New York, who is ill. The report will be submitted through the judiciary committee to the House. It may be signed by other members of the committee.

Significance of Moves

Elimination of the bill's preamble in the House committee report, which is the part containing the "whereas" clauses, does not detract from its force but merely condenses it to its essentials. Hancock mentioned at the last hearing before the Senate judiciary subcommittee that the preamble would be dropped. Neither is there any significance in the fact that only the Walter bill was reported out, as it is the committee's practice to report out the bill of the majority party member when there is dual sponsorship. It was desired to have joint sponsorship in both the House and Senate but only one member may sponsor a bill in the house. Hence Walter of Pennsylvania, a Democrat, and Hancock of New York, a Republican, sponsored identical bills, which are companion measures to the bill jointly sponsored in the Senate by Senators Bailey of North Carolina and Van Nuys of Indiana, the latter chairman of the Senate judiciary committee.

Probate Talk in Memphis

Judge Sam Bates addressed the Memphis Quarter Million Dollar Club of Memphis, Tenn., on probating wills with life insurance at its November meeting.

Fidelity Mutual Life's new received business in October showed an increase of 75%.

Lessons in Army Training Are Cited by Worthington

Home office and field managers at this time must assume their responsibilities for the improvement which should be made in agency management if the business is to compete successfully for the men it wants in the post war period, William P. Worthington, vice-president and superintendent of agents of Home Life of New York, declared in addressing the annual meeting of the Research Bureau-Agency Officers in Chicago.

Mr. Worthington indicated a belief that there should be a swing away from the independent contractor theory and the application of controls and discipline in training, coaching and direction of agents. He pointed out that the soldiers are proud of the tough training that they have undergone and that has changed them almost overnight. They were convinced that rigid training would make successful fighting men.

"If the men we are trying to train," he declared, "have the required confidence that the things we are training them to do will lead them to the success they want to attain, then the efficiency of sales management will be improved and the results obtained from it will be greatly improved."

Good Manager, Good Leader

A good coach and a good manager is a good leader, he observed. Most people enjoy being led if they have confidence in the leadership. A big part of successful training and direction is convincing the agent that the manager and home office are sincerely interested in his success and not alone in the volume of his business.

A good compensation plan, Mr. Worthington stated, will make it easier for good management to build better men, but it doesn't solve the problem of inadequate management. The main objective of change in compensation plans is to increase and stabilize the agent's earnings and an effort has been made to accomplish this through a change in the agent's contract. Although such changes are desirable, he said that agents' earnings might be improved even more rapidly by changing the general agent's basis of compensation. Most general agents' contracts do not compensate the man for a building job at the time he is

doing the job. He gets most of his compensation after the job is completed. This gives him money at the wrong time. A manager's contract should be devised that adequately compensates the manager per successful man he builds rather than per volume of business.

A more attractive plan of compensation will make it easier to attract the right type of man and would aid recruiting but it will not solve the selection problem.

Salary Experiments

Home Life has experimented with paying salaries for eight years. It has found that merely having a salary plan does not automatically improve selection. The standards of selection have to be raised, otherwise a salary plan will produce losses as readily as the old advance system. The procedures of the armed forces can be studied to advantage. They are not merely looking for men, they are looking for men with qualities they can train and mold and inspire to success.

Mr. Worthington said that the call from the war industries has accomplished the weeding out process which the business has talked about for so many years and it is important to see that the obviously unqualified men do not reenter the business when the war is over.

The average agent, he said, wants assurance that he can enter the business on a secure basis, he wants to earn during his producing period an income commensurate with his ability and adequate to meet the requirements of a family and that meets the competition of other lines of business, he wants earning power enough to build a life insurance estate and he wants to look forward to the security of an adequate retirement plan.

An improved compensation plan should meet those requirements to the fullest extent possible and every effort should be made to accomplish those objectives without increasing costs to policyholders. The industry should stay away from any plan which involves increasing the cost until it has experimented with plans that call for better management as well as improved compensation.

Ohio State Council Will Have Meeting

COLUMBUS, O.—Paul M. Smith of Columbus, president of the Ohio Association of Life Underwriters, has announced that a meeting of its state council, which is composed of the state officers and the president and state representative of each local association, will be held in Columbus Dec. 6. In charge of the meeting will be P. B. Hobbs of Chicago, trustee of the National association. E. J. Dore of Detroit and Sidney Wertimer of Buffalo, trustees of the National, who will attend a series of meetings with local associations over the state during the week, also will be present. Mr. Dore will speak in Chillicothe, Springfield, Dayton, Van Wert, Lima and Toledo. Mr. Wertimer will address the associations at Newark, Steubenville, East Liverpool, Youngstown, Warren, Akron, Canton and Ashtabula.

Examine Discharge Papers

A number of men are being discharged from the armed services, although life general agents haven't apparently done much in seeking prospective agents among them. One manager points out that in talking to these men it is wise to ask to see their discharge papers as the cause may have a pertinent bearing on whether or not it is advisable to employ them.

National Service Cover \$92 Billion

NEW YORK—Men and women in the armed forces have now applied for 13 million life insurance policies with a face value of \$92 billion, Brig.-Gen. Frank T. Hines, administrator of veterans affairs at Washington, disclosed in the course of his talk at the dedication of the high altitude laboratory at the Sperry Gyroscope Company's plant at Great Neck, L. I.

General Hines also gave the first authoritative statement as to what the government plans to do in the way of postwar rehabilitation for disabled veterans and in caring for dependents of men who die in the service of their country. The all-over plan provides that next of kin will receive a lump sum equal to six months' pay. Besides that a widow will receive during her life \$50 a month pension plus \$15 for one dependent child and \$13 for other dependent children up to \$100 a month. A dependent parent will get \$45 a month. If both parents are dependent each will receive \$25 a month.

Soldiers disabled in line of duty will receive disability payments ranging from \$10 to \$100 a month. Partially disabled men will be rehabilitated at government expense through private and state facilities, including educational institutions, commercial trades, industrial and agricultural establishments. Many industrial companies, said General Hines, have

Foster Takes Composed View of Fiscal Scene

New York Life Economist Unalarmed About Inflation, Interest Rates.

Stephen M. Foster, economic adviser of New York Life, expounded what he characterized as a dispassionate and unalarmed attitude opinion on inflation, interest rates and the purchase of government securities by life companies, in addressing the annual meeting of the Research Bureau-Agency Officers in Chicago. At the same time Mr. Foster



STEPHEN M. FOSTER

counseled agents, in their personal contacts, to reflect an objective and dispassionate attitude towards the problems of the day. He resurrected several "wolf" cries that were uttered in the early 1930's on the subject of inflation as an example of the alarmist type of statements that should be avoided. Even if monetary, economic and social trends should be in the wrong direction, ruination is not thereby inevitable because the United States has a tremendous resiliency and the good common horse sense of the American people through their democratic processes has always eventually prevailed.

In 1939, he recalled, people began to get panicky about the price level, feeling that all the elements of a thorough going inflation were present such as easy money, record volume of bank deposits, high and rising wages and employment, scarcity of civilian goods, staggering governmental expenditures and deficits and almost unlimited governmental borrowing from banks.

Estimates Too Low

When the government's demand for war goods was added to a rising civilian demand for peace time goods, the immediate effect was that prices rose but the estimate of the amount of civilian goods and services that would be available were far below the mark. It is estimated now that goods and services of \$90 billion per year are being made available for civilian consumption and that is \$15 billion more than was estimated.

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already established special training centers for handicapped veterans.

R. E. Fuller Shows Value of Agency Council Plan

Equitable of Iowa Arrangement Contributes Mightily to Field Morale

R. E. Fuller, agency vice-president of Equitable Life of Iowa, recently elected chairman of the Agency Section of the American Life Convention, in his talk before the Research Bureau meeting on "Progress Through Morale," told something about his own company's progress. He asked himself the question what definite factor has contributed most toward its progress. He said it was a deep conviction on the part of its people that



R. E. FULLER

the attainment of a really effective degree of field wide morale has gone further in recent years than any other toward serving the best interests of the field organization and the companies.

The establishment and functioning of a general agents advisory council is another significant single factor in the development of morale, in his opinion. Members of the field organization of any company should have the common conviction that their home office is actively and sincerely engaged in meeting intelligently and sympathetically both the immediate and long term problems of the field men, he said.

How Life Companies Differ

Life companies have a common product, a common purpose and a comparatively common structure differing to a greater or less degree in such factors as size, objectives and plans of organization. Five years ago Mr. Fuller said Equitable sensed the need of establishing a definite and permanent means whereby all company officials charged with executive responsibility might make sure that they were kept accurately and continuously informed of the thought and requirements of the field organization. The desire was to secure the benefit of group thought based on field-wide findings. Three members of the general agents' advisory council obtain membership by reason of meritorious accomplishments. They are the club's leading officials. The other four are appointed by the president of the company. One member has qualified for all five councils, five for two, one for three, 18 for one. The average age of

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Two Vital Cases Are Linked by U. S. Supreme Court

WASHINGTON—The government's case against the Southeastern Underwriters Association has been moved up on the U. S. Supreme Court calendar to follow immediately the Polish National Alliance case. Court attaches say this action was taken of the court's volition in accordance with its practice of considering related cases together. It was explained that the two insurance cases would not be heard together by the court, but that one would follow the other in argument before that tribunal.

It was pointed out that the two cases involve the identical question whether insurance is interstate commerce, the one being concerned with fire insurance, the other with life insurance.

It was learned at the Supreme Court that probably the insurance cases would not be reached for argument until after the Christmas holidays.

Meanwhile, other government cases involving insurance with relation to interstate commerce will lie dormant, government officials say. This includes the Department of Justice investigation of New York insurance interests.

Consider Group Life Plan

Trustees of the Connecticut savings bank life insurance fund at a meeting in Waterbury heard favorable reports but made no definite decision on a proposal the fund issue group life policies. Figures on the cost of the proposed new coverage will be available when the trustees meet in New Haven Dec. 6 and the plan again will be discussed at that time. Several requests for group policies have been received from manufacturing plants, President M. V. Blansfield stated.

Help by Advising

"On my first day in the Army, at the reception center," writes one of our former agency cashiers, "I was impressed with the fact that here were many boys who might have bought \$500 life insurance in civilian life, now stepping up and buying \$10,000 of Government life insurance. They had had impressed upon them a need for it now. I asked quite a few of them whether they planned to retain it after the war, and almost without exception they said yes, they wanted to keep it or something like it."

"It was amazing to me how many young men in the Army knew little or nothing about their life insurance contracts.

"I ran across dozens of them who in civilian life had perhaps \$2,500 to \$10,000 of civilian life insurance which, simply because they had never heard of the Civil Relief Act of 1940, they had cancelled in order to take Government life insurance.

"Contact with agent or agency would not only have given them a chance to preserve this insurance upon return from the Army but would have given them that much additional protection during their stay over and above their Government insurance and would have meant the preservation of that insurance in the insuring company."

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Hold on to Gains of "Blitz!"

B. N. Woodson Implores Agency Executives to Go Forward from Present Level

men is being hired but their quality and the quality of their training is enhanced.

The war has "blitzed" the agency system into some of the improvements about which the leaders have been talking for years.

Wartime conditions have taken away most of the marginal or misfit agents and the business finds itself with fewer and better men.

No one wants to see life insurance turn back from its forward point yet there is the fear that through lack of planning and lack of cooperation it shall do so.

Life insurance can go forward if all in the business individually and collectively will bend their talents and energies to the task.

If the philosophy and management is sound the results and methods will be sound, he declared. There is room for progress in the precision which defines the relationship of company to agency force. There must be the conviction that low turnover and high production earnings per man are not only idealistic but highly realistic and the primary objective should be to build men rather merely build business.

Compensation Plans

Compensation plans should reward agent and manager alike for such desirable results as high production and high earnings per man and high persistency and adequate service and low turnover. There should be a broadening and definitizing of the philosophy with respect to new men.

There is the danger that more men will be hired immediately after the war than can be assimilated. That can be avoided if the philosophy is that of man building rather than volume building.

There is room for more precision in the distribution end of the business. Supervision should be at the level of activities necessary to produce end results rather than at the level of end results themselves. Management should supply the techniques and procedures needed to do the job rather than leaving that responsibility to the worker. Also the job of the manager should be definitized.

Right Man in the Right Job

He advocated progress in the job of fitting the right man into the right job and in the field of human relations there must be a far better measure of aptitude for life insurance selling and for the measurement of management abilities. There is the need for more potent leadership on the part of agency heads. Much can be done in the way of better relations with the buyer and prospective buyer. What the buyer wants from life insurance and from the agency system can be ascertained. Psychological data should be accumulated. A study should be made about how life insurance is bought. The future of the business, he concluded, lies in the hands of its agency men.

Announce Great National Awards

Efficiency and production awards to leading producers of Great National Life of Dallas for the 1942-1943 club year have been announced by President S. J. Hay.

The metropolitan efficiency trophy, a silver cup awarded to the agent judged to have done the best all-round job of selling and service in cities of 50,000 population and over, went to George C. McIlheran, Corpus Christi, manager. The regional efficiency cup, offered on the same basis for agents doing the most proficient work in towns under 50,000, was won by Jack Bell, Gainesville, Tex.

The production cup for the leading producer for the year was awarded to John A. Monroe, Jr., of Dallas.



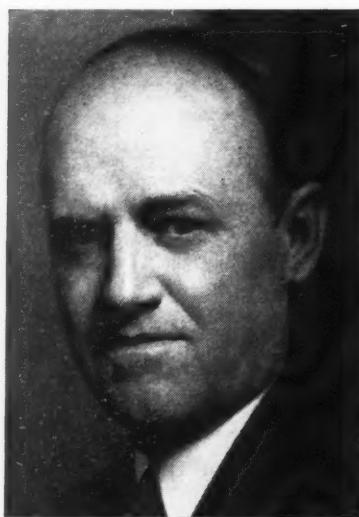
B. N. WOODSON

Conn. General to Induct All Men on Salary After War

F. H. Haviland Says Emphasis Is Placed on Work Pattern

Connecticut General Life anticipates that after the war all of its agents will be inducted on the salary basis, F. H. Haviland, vice-president of that company, declared in his address at the meeting of the Agency Officers-Research Bureau in Chicago.

Connecticut General has been using the plan of a monthly salary without recourse. The salaries range from \$100 to \$400 a month and the losses have



F. H. HAVILAND

been small. The company has certain requirements for the agents to earn their salaries in work pattern and production and it is convinced that the emphasis should be on work pattern rather than on production. If the man is picked properly and cooperates enthusiastically in the early stages of his career the important thing is not how much he sells but how he consistently follows directions.

Connecticut General requires a complete medical examination on the theory that the health and vitality of a new agent is pertinent to his future capacity. He expressed the belief that every company should look seriously at the physical qualifications of a prospective agent.

Mr. Haviland brought his audience up to date on the progress in the program for greater precision in the merchandising of life insurance that Connecticut General established 10 years ago. In trying to accomplish this result, Connecticut General established a plan of merchandising, trained management to operate the plan, eliminated the glamour of volume production figures, gave to management the responsibility of training the agents, eliminated the unfit, provided adequate financial guarantees for new men, policed the selection of new men from the home office, limited the number of men an agency could absorb.

Connecticut General decided that it was necessary to suppress the glory of producing a volume of business and was ready to take any decrease in volume that was involved in the change. It was

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Col. Button—a Picturesque, Colorful Public Official

One of the most picturesque, colorful and interesting characters that has appeared on the stage of insurance died last week, he being Col. Joseph Button, for 23 consecutive years commissioner of Virginia. He was a former president of the National Association of Insurance Commissioners and then secretary, where he really won his spurs and became a notable. After leaving office he became an official of Union Life of Richmond, a small company, and then was chosen manager and finally attorney-in-fact for the Stock Company Association. He was 78 years of age. He retired from business May 1, 1940, on account of health. He died at his home in Richmond. Mrs. Button often accompanied him to insurance conventions where she was exceedingly popular.

Col. Button's Characteristics

Colonel Button was a singularly convivial, social and affable man. He had a real genius for friendship and he drew men to him. He was robust in appearance, leathery almost in his skin. He was always the center of attraction and men sought often his conversation and comradeship. He was the real leader of the association during his years of secretaryship. He became popular as a commissioner and yet in his administration of the office he never deviated from his sense of right and justice. He had no preconceived ideas or fancies but investigated every subject deliberately and painstakingly. He had a remarkable store of stories with which he regaled his listeners on many occasions.

He and the late Henry F. Tyrrell, legislative counsel of Northwestern Mutual Life, organized the Pamunkey Tribe of Real Indians which held forth when the commissioners met, it being a social organization comprising not only commissioners and their staffs but members of the third house and visitors. Colonel Button was the tribe chief and presided over its deliberations with due solemnity. His statements and remarks on these occasions were made with great earnestness and fidelity.

Virginia Department Graduates

Three of his nephews became identified with the Virginia department. The eldest of these was Charles Button Coulbourn, long connected with the department and now its actuary. The other two were William Clark Coulbourn and Daniel L. Coulbourn. For a time the former served as an attorney for the department. He is now a lieutenant-colonel in the army, stationed at Fort Benning, Ga. The other nephew has been for a number of years Virginia state agent of National Fire of Hartford, with headquarters at Richmond.

A number of men trained in the department during the incumbency of Colonel Button have accepted positions with companies. Heading this list is Charles G. Taylor, now first vice-president of Metropolitan Life. Before going with Metropolitan, he served as actuary and vice-president of Atlantic Life of Richmond. He started out with the department as actuary. R. E. Ankers went with Continental Life of Washington after serving as actuary of the department. He is now secretary of that company. A. B. Upshur, another former actuary of the department, is now actuary of the Home Beneficial of Richmond. Joseph Baldwin, former examiner for the department, is now secretary of Union Life of Richmond. Clare O. Evans, another former examiner for the department, is now with the accounting department of Life of Virginia.

Colonel Button's Career

Colonel Button was Virginia's first commissioner, having been elected to the office when it was created in 1906. In early life he was associated with his father in the publication of the Lynch-

burg, Va., "Virginian." Later he practiced law for a time in Appomattox county. His experience as a lawyer served him in good stead in handling problems of a legal character in the Virginia department while he was head of it. While residing in Appomattox county, he became clerk of the Virginia senate. He also served as clerk of state constitutional convention. He always took a keen interest in politics. A lifelong Democrat, he was for 21 years chairman of the Tenth District Congressional committee. For more than a decade he served as secretary of the state Democratic committee. He acquired the title of colonel when appointed to the staff of Governor J. Hoge Tyler.

COL. BUTTON'S FUNERAL

Colonel Button was buried in Spring Hill cemetery, Lynchburg, where he was born Oct. 31, 1865. The body was taken to Lynchburg following funeral services at All Saints Episcopal Church in Richmond conducted by the Rev. James W. Kennedy, its rector. Colonel Button was a vestryman of this church for 22 years. A detail of cadets from the Virginia Military Institute served as active pall-bearers at the church services and escorted the remains to Lynchburg. Colonel Button served on the board of visitors of that institution for 30 years and evinced deep interest in its affairs throughout that period.

He had not been in the best of health for a year or more before his death. He suffered an attack of pleurisy at his country home in Appomattox last summer and never fully recovered from the attack. As late, however, as Oct. 31 he was able to motor to Lexington to attend a meeting of the board of visitors of the Virginia Military Institute. From there he motored to Raleigh for a visit. The trip was believed to have overtaxed his strength, for he had to take to his bed after returning to Richmond. His death came as a surprise to many of his friends in Richmond who did not know that it was so near.

AS SEEN BY FRIENDS

NEW YORK—Many friends of Colonel Button in this sector commented freely on his colorful and enjoyable personality.

Colonel Button, because of his deep integrity, his talent for getting people to work together, and his long continuity of service as commissioner of Virginia, did outstanding work in building the National Convention of Insurance Commissioners, as the present association was then known, into a unified, purposeful group rather than merely an aggregation of individual opinions. As the convention's secretary and, in keeping with the organization's custom, he was chairman of the highly important examinations committee.

As an elder statesman he was always

(CONTINUED ON LAST PAGE)

Northwestern Mutual and Women Risks

Northwestern Mutual Life started to write female risks Oct. 18, 1933. During the 10 years the agents paid for \$217,146,522 on the lives of 100,189 women. The average amount per life was \$2,167. Last year the volume was \$21,097,332, an average per life of \$2,290 on 9,213 lives. In 1943, for the nine months the volume was \$20,413,905 or an average of \$2,742 for 7,445 lives.

Looking Forward with Insurance Is Meeting Theme

Presidents' Association Will Have One Day's Session as Executive for Members

NEW YORK—Centering on the theme, "Looking Forward with Life Insurance," the discussions at the annual meeting of the Association of Life Insurance Presidents at Waldorf-Astoria, New York, will stress the relationship of the business to widening social and economic responsibilities and its role in the America of the future.

Geared to wartime conditions, the public sessions will be confined to one day, Dec. 2. Greater stress will be placed on business aspects of the meeting, with Dec. 3 set aside for executive sessions.

Colonel D'Olier to Discuss Theme

The central theme will be the subject of the chairman's address by Col. Franklin D'Olier, president Prudential, in opening the public sessions on the morning of Dec. 2.

Reports to be presented at these sessions will give a comprehensive picture of life insurance operations for the current year and indicate what they portend for the future. Data being gathered for this purpose by the association cover such subjects as life insurance in force, new life insurance purchased, and disbursements to policyholders and beneficiaries. Attention will be given to life insurance investments, both from the standpoint of their role in war financing, and their part in America's future progress. Social security and the increasing responsibilities of life insurance also will be discussed by leaders in the business.

The Thursday sessions will be addressed by those in insurance and outsiders.

The executive sessions undoubtedly will be devoted to discussing future plans of the organization, in view of the fact that almost all the important companies have joined or will join the American Life Convention. The Presidents Association has a committee headed by President George Willard Smith of New England Mutual that has been conferring with an A.L.C. committee of which President O. J. Arnold of the Northwestern National Life is chairman. At the annual meeting of the American Life meeting it was voted that hereafter there would be no barriers to membership on account of size or location of companies.

Whether to Increase S. S. Payroll Tax Is on Tap

WASHINGTON—Early consideration by the Senate finance committee has been set for discussing whether payroll taxes will be increased Jan. 1 under the social security act. An increase from 1% to 2% will become effective unless postponed by Congressional action.

The Senate finance committee hearing has been set for Nov. 19 when the A. F. of L. and the C. I. O. are scheduled to testify. The matter is being dealt with in connection with the pending revenue bill.

Senator Vandenberg, Michigan, has led in two postponements of the payroll taxes on the ground that additional reserves for social security were not needed. He has called for another review of the problem this fall, but to date has withheld judgment whether the S. S. tax should be increased.



The story of check No. 314

THIS is the story of the check that came back. Not because it wasn't good. As a matter of fact, it was just about the best check that could be written. . . . It came back for another reason which all and sundry should be glad to hear.

A good many people write checks like No. 314, drop them in the mailbox, consider a good deed done and the money

gone. Which is, of course, the wrong idea.

Let's suppose that you wrote check No. 314. First, let's assume that you were thirty years of age fourteen years ago. You bought a \$10,000 Ordinary (Whole) Life Policy in The Northwestern Mutual. This year your fifteenth annual premium is up for payment — \$233.10 less the dividend of \$80.30, leaving a net premium of \$152.80 — just the amount of check No. 314.

However — here is the key point — you mail this check to The Northwest-

ern Mutual and the cash value of your policy increases \$154.50, or more than the amount of your net premium!

Thus, for all practical purposes, you have simply transferred \$152.80 from your checking account into the cash value of your life insurance, and kept \$10,000 of priceless protection in force at the same time.

That's the story of check No. 314, the check you dropped in the mailbox, thinking it gone, but which wasn't gone at all. When you pay your life insurance premiums, think of this story and especially **The Northwestern Mutual**.

Make 1944 Year of Action Holcombe Pleads

Urges Each Company to Live by Written Principles of Agency Operation

Expressing the hope that 1944 will prove to be a year of decision and action in life company agency operations, John Marshall Holcombe, Jr., manager of the Sales Research Bureau, closed the annual meeting of the bureau and Agency Officers in Chicago with a summation of the three-day meeting and with an appeal to agency officers to keep alive the spark of desire for improvement against the force of inertia in their every day lives.

Those that have been exhilarated and stimulated by the meetings, he declared, and leave with a determination to put improvements into effect in their companies will, unless they hang on to their faith, be enveloped again in the routine of life with discouragements, petty details and resistance to improvement, Mr. Holcombe said. Moreover, there is the obstacle to change in the fact that new business is being received in healthy volume and that the terminations are at a record low level.

Mr. Holcombe expressed the hope that the convention had stirred the imagination of the agency officers, created in them an intelligent restlessness, given them courage to attempt improvements which they should otherwise avoid.

Moved Into Action Stage

Improvement in agency operations, he said, has moved from the conversational to the action stage.

Mr. Holcombe recommended that in each company there be prepared a written statement by home office executives and field representatives of the objective of agency operations, principles which direct them and methods of reaching them. Such a statement will serve as a guide for those directing agency affairs and will help in securing executive approval for new and improved agency activities.

Insofar as agency objectives are concerned, the fact should be emphasized that the primary reason for existence is service to the public. The first guiding principle is that agency activity shall be judged by its success in reaching the objective of providing the best practical service to the public. Then there is the principle that the agency department accept the responsibility for creating good public relations. There should be a statement as to the class of buyers a company desires to reach and the localities in which it desires to concentrate; also a statement that the company does not measure agency progress by quantity alone, either volume of business or number of agents. Agents and business will be acceptable only when they possess certain characteristics of stability.

Investment Is Needed

Then there should be a statement that a shift in measuring agency progress will require an investment by the company of both time and money. There should be enunciated the principle that specified standards are to be established as a guide in choosing new field personnel. There should be a statement that no

Better Management Big Need: Connell

Says High Turnover and Low Earnings Must Be Corrected

A new agent's compensation formula or new scale of commissions will not of itself solve the problem of high turnover in the field, low average earnings and irregular income, according to Clancy D. Connell, who addressed the



CLANCY D. CONNELL

Research Bureau-Agency Officers meeting at the Edgewater Beach hotel, Chicago, this week. Mr. Connell is general agent at New York for Provident Mutual Life, is a trustee of the N.A.L.U. and immediate past chairman of its agency practices committee.

The solution, he suggested, lies in better management on the part of home offices and agency heads.

Mr. Connell expressed regret that discussion to a large extent has been confined to a rearrangement of the same amount of compensation on various formulas within the bounds of the New York law. The agents are not selfish in their consideration of the question and they have no desire to increase the cost to policyholders from new compensation plans. What the professional agent desires is elimination of a situation whereunder so-called full time agents continue with inadequate, irregular and marginal incomes.

Mr. Connell declared that the question of service to policyholders remains to be settled. He asked whether it is not true that the companies in their national advertising have led the public to expect a type of insurance service which is not in fact available when the ability and training of the present field force is appraised realistically. He said that the agency heads have held out to

manager or agent will be retained who fails to achieve a minimum standard of income and accomplishment; that promotions will be made wherever possible from the ranks of the company and the company is to provide adequate training. Then the principle should be stated that final responsibility for the direction of agency affairs rests on the home office but that there should be deliberations between home office and field.

Finally there should be a statement that the principles are to be explicitly followed and that exceptions are to be made after only the most careful consideration. As to the methods to be used, adequate authority and responsibility should be given to the incumbent of each job. Friction, uncertainties and waste motion can be avoided only when each job is carefully defined.

October Sales Up 26.9% Ordinary Ahead 28%

NEW YORK—Life sales increased 26.9% in October, bringing the 10 month increases up to 7.7%, the Life Presidents Association reports. Ordinary sales were up 28% in October and 7.9% for the year, group showed a 70% increase for the month and 24.4% for the year, while industrial showed decreases of 1% for October and 5.3% for the first 10 months.

Total sales amounted to \$746,202,000 in October, \$6,962,203,000 for the first 10 months; ordinary totaled \$479,089,000 and \$4,555,459,000; industrial \$134,335,000 and \$1,202,316,000, and group \$132,778,000 and \$1,204,428,000.

agents the hope that proper service to policyholders will result directly or indirectly in the securing of new business.

Many companies, he observed, have provided service fees for agents on business beyond the tenth year and the question eventually will be raised whether such companies can determine if the service is actually rendered. This problem of service to policyholders must be solved, he declared.

The speaker warned against taking it for granted that agents now in uniform will automatically return to the business. They may have a memory of high turnover, irregular earnings, inadequate training and supervision and uncertain future. It is important, therefore, to the industry to be able to say to them that there have been created new and adequate methods of induction, training, supervision and compensation.

Also, it is important to set up standards of selection to prevent a stampede back into the business of a large number of those who are of inferior quality. Other industries will be in the market for the most talented young men and life insurance cannot compete successfully if they bid on the basis of prewar field policies and operating plans.

Refresher Courses Suggested

Complete and thorough systems of training must be prepared for the post war period. Perhaps there should be refresher courses for men who return to the business after military service. There must be an overhauling of the training methods for general agents and managers. The agency department should assume responsibility for "training the trainer."

Supervision must be improved. In the customary independent contractor relationship financing has too often been used as a substitute for supervision, he said. The type of supervision that has prevailed has tended to bring about a small upper crust of very large producers whose accomplishments are due to their own ambition and energy and then a large miscellaneous assortment of agents who produce too small an amount and too irregularly.

The question of whether the independent contractor status should be altered is of paramount importance. He suggested that lack of control of the field forces has resulted in unsystematic methods of securing new business and lack of service of old business.

Insurance Wins Loan Drive Honors

Insurance and insurance officials won most of the honors in the Third War Loan drive in St. Louis. The fire and casualty division, headed by Odin Prowell, Geo. D. Capen & Co., ranked first with total sales of \$4,786,263; the business division of which Judge Allen May, president Mutual Savings Life, was chairman, second with \$3,949,082 and the life insurance team, headed by William King, Fidelity Mutual Life, finished fourth with \$1,184,596.

III. A. & H. Practices Committee Report Accepted by Jones

Study of Claim Practices and Advertising to Be Continued

SPRINGFIELD, ILL.—Insurance Director Jones of Illinois has accepted the report of the Committee on Accident and Health Practices in Illinois and has approved a statement of principles adopted by the committee of 25 members. Except for a provision which ruled out policies which provide for the payment of principal sum because the accidental death of all members of an entire family, the entire statement was adopted unanimously by the committee, although the paragraph in question was approved by a large majority. A small minority submitted an alternative recommendation.

The statement of principles defines the types of policies which should be designated as "limited policies" and a number of improvements are recommended in requirements in drafting limited policies, such as the proper mention and emphasis of exclusions, reductions, exceptions and limitations. Recommendations were also made regarding uniformity in type size and composition so as to avoid improper emphasis of special benefits payable under limited circumstances.

Agree to Study Advertising

The companies also agreed to study their advertising and claim settlement practices. Mr. Jones urges that this work be inaugurated at once and states that a set of advertising rules and a guide for the study by the committee of claim settlement practices will be suggested by the department for consideration by the committee.

In submitting the statement to Mr. Jones, George F. Manzelmann, president North American Accident, general chairman, pointed out that the report is a step in the right direction but it does not entirely solve all of the problems involved. The committee will continue to function and stand ready to cooperate with the insurance department on any problems that might arise in the future, Mr. Manzelmann stated. The committee will also continue to accept the responsibility for the policing of the business in the state in cooperation with the insurance department. Mr. Jones approved this step.

In accepting the report, Mr. Jones said that he is making the recommendations on limited policies effective at once, adjusting insurance department procedure to include the improved practices. Rules and regulations embodying these changes are being formulated by the department and will be effective as soon as the companies can be informed, after allowing a reasonable period of time in which to make required changes. Recommendations in regard to application forms and underwriting practices will be made effective at once by the department as forms are submitted for approval.

Mr. Jones suggested that the committee give further consideration to underwriting practices, application forms and procedures for reinstatement of lapsed policies.

Jones Commands Committee

The committee was commended for its spirit of cooperation in working with the insurance department and Mr. Jones said that it illustrates what may be accomplished when companies follow a plan of self regulation according to high business standards.

Now Is Best Time to Build Organization of High Class Men

An encouraging appraisal of the recruiting possibilities today was given by H. T. Burnett, agency vice-president of Reliance Life, in addressing the annual meeting of the Research Bureau-Agency Officers.

Mr. Burnett recommended that a company decide how much business it



H. T. BURNETT

should pay for in 1944 with new agents and how many agents it must hire and allot this fairly to managers and assistants. Follow this up every week and don't ever let them forget it, he suggested. Remember that the good managers need to be helped to "keep on the beam." If a general agent has plans to build an agency, but only after the war is over, then he's a has been unless the company can get him to change his views. It is much easier to build an agency when things are booming and when men are hard to hire than it is during a depression period, he said.

Perhaps the home office agency executives need to get their hearts right, thinking straight and all peped up about their jobs. "There never was," he declared, "a better time to build a sales organization of high class men than right now."

Reliance Life Experience

During the past seven years in Reliance Life 22.1% of the volume has been from men in their first contract year. This percentage will gradually decrease as these new men become more permanent in the business, he declared.

For the past five years the business paid for by new agents per agency man (managers and assistants) has been \$276,000. It appears that the 1943 record will be the best during the past five with one exception. He said he believes that any company should pay for a minimum from new agents of \$300,000 per agency man per year.

Reliance Life undertook to hire 364 men this year. It will actually hire about 220 or 60% of the quota but it is getting an increased production per agent so that it will pay for about \$10,000,000 from new agents as against a quota of \$9,100,000. The managers and assistants are required to write the home office a letter on Monday reciting what they did during the week, reporting where they were each day, and type of work they were doing. Early each month the home office sends out a report on the volume of written business by new agents, number of new agents hired, number of new agents producing, number of new agents on the honor roll. A letter is sent to each manager each month showing whether he is ahead or behind his quota year to date

from new agents. Each Monday a card is sent to each manager and assistant showing the number of prospective agents interviewed the previous week by agency men, average number of interviews per agency man and whether a particular manager is above or below the average for the week.

The last analysis showed that there was an average of 24 interviews per agent hired. Of the 35 leaders among the new agents hired this year 26 are ages 35 to 54. Four are grade school, 24 are high school and 10 college men. Twenty-eight were salesmen or had prior sales experience.

A certain number of agents have

agreed, following every interview, whether they sell a policy or not, to make a 50 second sales talk asking whether the prospect can suggest the name of a good man who because of conditions is thinking of making a change in his work or someone who is in a dead end job. It's too early, Mr. Burnett said, to give a report on the results.

E. Becker went from Texas to assume control of Franklin in Springfield, came to a head this month when a group of Illinois general agents challenged the Texas agents to a contest during the "Be a Star" contest in November. This contest within a contest, based on a prorata basis, was introduced in an effort to keep the promise of the sales organization to President Becker to make November, the month of his birthday anniversary, the greatest month in history.

Win friends by distributing 1944 Income Tax Reduction Records. Write National Underwriter for sample.

Illinois vs. Texas Contest

The rivalry that has existed between Franklin Life representatives in Illinois and Texas ever since President Charles

The Home of HUMAN SECURITY

*Design
for
Living*



PROVIDENT PETE

Says:

"What would you think of an architect who designed a beautiful home but thought only of materials suited to withstand the strains and stresses of normal living? . . . Someday — you'd rightly figure — a storm would topple over that structure."

"Insurance plans should be developed with like provision for abnormal strains and stresses—for those emergency storms sure to strike: Accidents, Sickness, Hospital Trips."

That's Why the Provident has devised a plan of

COMPLETE PROTECTION

Life Insurance

plus

Living Assurance*

(*non-cancellable disability)

written as a single unit

Our
56th
Year

PROVIDENT
LIFE AND ACCIDENT
INSURANCE Since 1887 COMPANY

Chattanooga, Tennessee

Life : Accident : Sickness : Group : Hospital

Our
56th
Year

Fischer Calls for Intelligent and Bold Planning

Chester O. Fischer, vice-president of the Massachusetts Mutual Life, in reporting as chairman of the board of directors of the Research Bureau at the annual meeting of the bureau and Agency Officers in Chicago, declared that perhaps the greatest single factor in business and industrial progress of the past 30 years has been the willingness of business men to sit down together and exchange ideas. He cited the origins of the U. S. Chamber of Commerce of which Mr. Fischer is a



CHESTER O. FISCHER

director, and the research work of individual corporations and industries.

The Life Insurance Sales Research Bureau has been in operation 21 years. He pointed out that the first project that it undertook was scientific selection of agents and this problem remains. The bureau has engaged in 11 major fields of research: Agency costs, agency department objectives and organization, company procedures and practices, compensation, conservation and persistency of business, life insurance development and market studies, manpower statistics, recruiting of agents, selection of agents, selection of managers, training, supervision and motivation of agents.

The bureau is getting down to bedrock in the important study of selection of managers. Mr. Fischer said that the caliber of managerial appointments has a vital bearing on the success of the companies and the service that is rendered. The bureau now embraces 131 companies as compared with 13 that created it in 1922.

Mr. Fischer remarked that demobilization and transition will be a national problem after the war but preparing for it is a national problem now. There must be a total effort and integration similar to that found in the war effort.

The life insurance industry must see to it that it is fully prepared to meet the tests of the future, that through the activities of well trained, alert agency forces operating under private enterprise, opportunity and security for the people shall continue to be unrationed. This is a time for intelligent and bold planning for progress. The Sales Research Bureau will be a big factor in the post war day.

W. F. Martineau New York Deputy Superintendent

NEW YORK—Superintendent Dineen of New York has appointed Walter F. Martineau of the Syracuse law firm of Farnham & Martineau, as deputy superintendent in charge of the New York

Mental Attitude of Agent Is Factor in Training

In formulating a training program it is essential to consider the mental attitude of the agent in relation to the abnormal conditions during the last 30 years, E. Paul Huttinger, second vice-president Penn Mutual Life, told the Life Agency Officers Association in Chicago. The agent is out in the public weather most of the time, assailed by all the dreary winds of doubt and fear. His living depends on selling people faith in the reliability of promises, the future of his country and the life insurance business, notwithstanding these seismic eruptions which have made great fissures in human society. In view of this, Mr. Huttinger said he does not wonder that there has been instability among the field forces, in fact, he is surprised that there is any stability at all.

War Production Plan

The success in the training of war workers and the possibilities of using these principles in the training of agents were reviewed by Mr. Huttinger. The war production trainer starts by preparing the worker by putting him at ease, finding out what he knows about the job and getting him interested in learning. In explaining the operation the trainer tells, shows, illustrates and questions the worker carefully, stressing the key points and instructing him clearly and completely in simple language. One point is covered at a time but no more than the student can master.

Then the worker is allowed to do the job, telling the instructor the key points as he goes. The instructor asks questions and corrects errors, continuing his coaching until the worker knows his job. Then he is put on his own with instructions on where he can secure help when needed.

More Schools in Future

More agency building schools are certainly part of the future sales management program, Mr. Huttinger declared. In establishing a training system the educational needs of the agent must be recognized. In addition to the induction course covering prospecting, needs, presentations, motivation, options, policies, etc., there should be an intermediate course on programs, business insurance, pension trusts, taxation, etc. These courses should be supplemented by hearty cooperation with the C.L.U. movement.

There is a trend toward more visual sales aids, particularly charts. Although motion and slide films along with recording attachments will be used more in training, these cannot replace the inspired teacher.

Must Meet Comparison

With the return of men and women from the armed forces and the war industries where they have been subjected to thorough training it is essential that life insurance be ready with an adequate training program so they will have as favorable an impression and wholesome respect for life insurance's methods as they now have for the training they have received in the service and war plants, Mr. Huttinger pointed out.

City office. The position pays \$8,000 a year.

In his 15 years of law practice in Syracuse Mr. Martineau has been trial counsel for Globe Indemnity, Metropolitan Casualty, Commercial Casualty, Glens Falls Indemnity and Alliance Casualty. He has been associate counsel for the Syracuse law firm of White & Shinaman, who represent Metropolitan Life and New Amsterdam Casualty in the Syracuse area.

Honor H. R. Kendall at 50-Year Mark

H. R. Kendall, chairman of Washington National of Evanston, Ill., was presented at a luncheon in Evanston the other day with a plaque measuring 5 by 8 feet containing the names of 2,000 home office and field representatives and pictures of the 23 leaders that produced business during the 50-day period preceding the 50th anniversary of Mr. Kendall in the insurance business. On the plaque opposite each name appears the amount that was written by that individual during the 50-day period.

Presentation was made at the annual meeting of the Home Office Veterans League which was attended by about 200. Charles Forrer, manager at Harrisburg, spoke for the industrial field force; M. F. Houston of Kansas City, for the general agents; J. Nat Davis, assistant manager of the newspaper department, for the home office people, and R. J. Wetterlund, general counsel. James Helverson, casualty underwriter, was in charge of arrangements.

Over the week end the 12 leading industrial representatives for the 50 days and the eight leading general agents were entertained at a series of events.

They were guests at a theater party Friday evening, at a luncheon Saturday and then were taken to the Notre Dame-Northwestern football game.

Mr. Kendall was the second oldest of six brothers who entered the life insurance business with Prudential. H. R. Kendall joined with his brother G. R. Kendall in the organization of what is now Washington National in 1911. G. R. Kendall is the president.

The plaque is one of the largest letterpress printing jobs ever produced. Printed on a heavy sheet of imported paper, embellished with hand-applied gold artwork, the testimonial is framed under glass in a hand polished walnut frame. The finished plaque weighs between three and four hundred pounds.

Williams in Des Moines

John P. Williams, educational director of the American College, spoke before a meeting of the Des Moines C.L.U. chapter at which agency managers were guests.

He said life insurance has an important part to play in maintaining private enterprise for the ultimate safety of the nation. He stressed the need for better trained life insurance personnel, the large possibilities of insuring individual incomes, and the place life insurance has in complementing federal social security.



The other day we received a letter from Mr. L. D. Loper in Gallup, New Mexico.* He said: "I am inquiring about a Franklin Agency Franchise. It seems peculiar, but every time I sit down to read an insurance magazine, I notice your ads. For example, in one ad you state that the hundred leading agents averaged \$5,256.00 in commission earnings, and the entire agency group averaged \$3,598.00 — equal to \$100 and \$70 weekly averages respectively."

Well, really, Mr. Loper, it isn't a bit peculiar. The truth is that our ads practically write themselves. Our representatives do average unusually high earnings—much higher today than when we bragged about it; we are, in an unusual sense, an agency-conscious company (ask any Franklin agent if the word "friendly" in our signature means anything); we do provide constantly new policy forms and the finest possible sales and promotional material; and our commission schedules are as generous as one of grandma's dinners.

So please don't think we're bragging when we say that it's perfectly normal for you to read our ads. You'd be surprised at how many others do too.

*Name and address have obviously been changed.



The Friendly FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

INSURANCE IN FORCE EXCEEDS \$242,000,000.00

Census of Agents Is Presented by Ward Phelps

Although the Research Bureau's census of agents shows an increasing rate of departure from the business and a decreasing rate of induction there are some hopeful indications, according to Ward Phelps of the Research Bureau who gave an analysis of the manpower picture today in addressing the annual meeting of the Research Bureau Agency Officers.

For one thing there has been an increase this year in total number of ordinary agents' contracts in force in Canada and the Dominion has been an excellent wind indicator for life insurance in this country. Mr. Phelps concludes that in the Dominion the period of heavy losses in the agency forces has been passed.

Then recruiting efforts in this country have been successful among groups of returned soldiers and men classified 4F. Between Pearl Harbor and Aug. 31, 1943, 550,000 officers and men were honorably discharged and of these only 200,000 were over 38 years of age. The opportunities to recruit through such key men as commanders of American Legion posts should increase greatly as more and more men return from overseas.

Rehabilitation Program

The organizations aiding in rehabilitation work with returned soldiers may be of increasing value in the search for new agents. These organizations are just as anxious to find places for qualified men as the life insurance business is to find men.

The current wave of optimism about the war has come to the aid of managers who are actively recruiting. The peak of building personnel has been passed in some of the government alphabetical agencies. Many of them are stabilizing or reducing their personnel.

The bureau's census was based on figures from 81 companies including 72 writing ordinary only and nine writing both ordinary and industrial. These companies accounted for 68% of the total ordinary and weekly premium new business in 1941.

On Aug. 1, 1939, there were in these companies 98,149 contracts in force for ordinary only. Taking that figure as 100% the index as of Aug. 1, 1943, was 81.2 representing a total of 75,670 contracts. The index number for agents selling both weekly premium and ordinary had dropped to but 87.6.

Full Time Agents

For full time agents only the index dropped to 67, for part time agents to 77 and for brokerage contracts there was an actual increase, the index being 109. For ordinary full time agents only the induction rate (number of new contracts divided by number in force at the beginning of the year) was 33% for the year ending Aug. 1, 1940, and the termination rate 36%. For the year ending Aug. 1, 1941, the induction rate was 27 and the termination rate 34; for the year ending Aug. 1, 1942, induction rate was 22 and termination rate 34, and for the year ending Aug. 1, 1943, the induction rate was 16 and the termination rate 31.

For agents selling both weekly premium and ordinary the induction rate has increased from 15 to 19% but the termination rate has gone up from 17 to 24%. The index of actual number of agents hired each year with Aug. 1, 1940 as par, dropped to 78 the year ending Aug. 1, 1941, 59 the next year and 38 this year. In other words, ordinary companies are contracting now not more than one-third of the number of agents inducted in prewar years. For agents writing both ordinary and weekly premium the index number was 122 at Aug. 1, 1943, which means that

the combination companies have increased the number of recruits by more than one-fifth.

The induction rate for full time ordinary women agents has been 30% but the termination rate is 29%. In the weekly premium field for the 12 months ending Oct. 1, 1943, 20% of the agents hired were women and only 2% of the terminations were women. Now about 1,500 women are on debits.

Mr. Phelps pointed out that the average share of new business available per agent has greatly increased. Taking the share of new business per agent in 1934 as par, the figure for this year is

160. In Canada the period of heavy losses in agency force has been passed, he said, and ordinary sales in Canada in 1943 are approximately at the 1929 level and are more than 40% above the average sale for the preceding five years. Canadian companies have had much success with women and the termination rate is considerably below the induction rate.

Bridges Bill Linked to Tax Measure

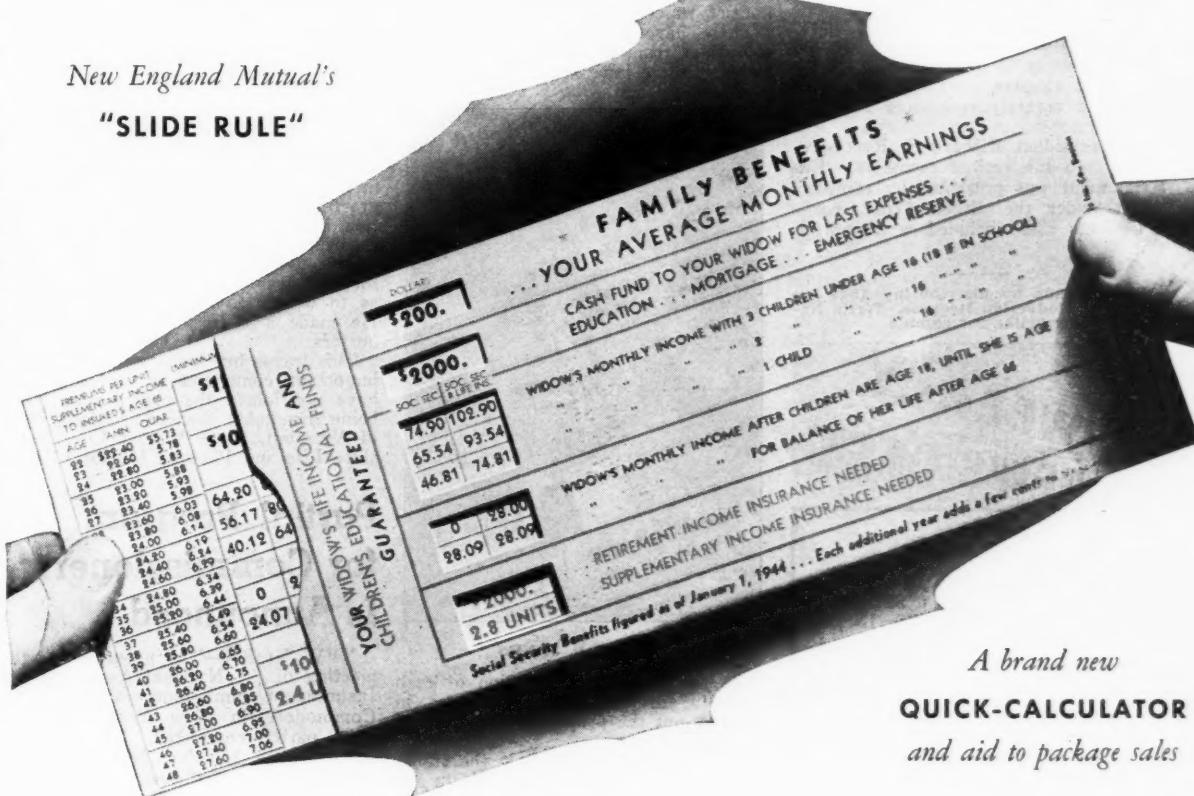
WASHINGTON—Senator Bridges of New Hampshire is informed that his bill to give relief to taxpayers in figuring

income tax returns on account of premiums paid on life insurance will be considered by the Senate finance committee in connection with the tax program. Tax legislation will not be considered by that committee according to present plans until after the House takes up the new revenue bill about Nov. 22.

The House ways and means committee, Bridges understands, has been considering a companion House bill to his, also in connection with the revenue measure.

Get "Who Writes What?" \$2.50 from National Underwriter.

New England Mutual's "SLIDE RULE"



A brand new
QUICK-CALCULATOR
and aid to package sales

A New Slant on Social Security

NEW ENGLAND MUTUAL'S exclusive new "Slide Rule" is especially designed to give the average prospect a quick answer to the question — "What are my Social Security benefits?"

The front side, illustrated above, shows the benefits which the average man's family will receive from Social Security at death. The reverse side shows what income a man and his wife may expect from Social Security at retirement age. Each side shows the total

income available if the agent's recommendation is accepted.

Used in connection with a direct mail letter which has produced from 10% up to 40% replies*, the "Slide Rule" is proving of practical value in converting one out of four interviews into sales, particularly with those who have enjoyed material increases in their incomes in recent years, and whose income taxes are still moderate.

*Company-wide average to date, 20.3%.

NEW ENGLAND MUTUAL Life Insurance Company of BOSTON

GEORGE WILLARD SMITH, President

Union Central Gives Continuing Decline in Replacements Reported by Jones

CINCINNATI—Veteran officers and employes of Union Central, who have 25 years or longer continuous service in the company, were guests at an annual reunion. The organization, known as the UCQC, has 196 members, including 22 officials, with President W. Howard Cox heading the list.

Following the dinner President Cox welcomed new members. Response was given for the initiates by A. W. Bary, assistant superintendent of agencies, the latest executive to join the group. With him were 19 other company employes who have recently completed 25 years of service.

Vice-president Richard S. Rust gave a toast to the retired members. Entertainment was presented by company talent under the direction of George O'Connor, and included a humorous skit.

Win friends by distributing **1944 Income Tax Reduction Records**. Write National Underwriter for sample.



PERHAPS YOU HAVE SAID, "WHEN MEN STUDY YOUR TAX & BUS. INS. COURSE UNDER YOUR SUPERVISION, DO THEY ACTUALLY PRODUCE BUSINESS IN THESE FIELDS?" LET'S CHECK SOME OF EXPERIENCES OF THE MUTUAL BENEFIT GROUP.

A. B. MUHS: "Without the Course, this \$10,000 sole proprietorship case could never have been written." J. A. COLLIFLOWER: "Six months ago I sold this man \$10,000 for collateral business purposes. In Unit 2 of the Course, I got an idea, presented it to him and closed a \$25,000 case." F. L. CROWELL: "Had a \$150,000 partnership case hanging fire. Studied Units 4 and 5 of the Course, then went back and clinched the case." P. H. DAY, JR.: "The \$25,000 case which I am sending in was written in large measure because of the interest created by our study of the Course." M. B. AMES: "I might have written this \$80,000 case without the R & R Course, but I know that the information I received from the Course helped me in writing it."

AND SO the story goes from practically all the 196 Mutual Benefit men who are following the plan—results so abundant that the question of the profit in the plan is easily answered.

THE INSURANCE RESEARCH & REVIEW SERVICE
INDIANAPOLIS

PAUL SPEICHER
Managing Editor

Frank L. Jones, reporting as chairman of the Agency Officers committee on replacement at the meeting in Chicago this week, declared there has been a continuing decline in the practice of replacing the insurance of one company by new insurance in another. An increasing number of companies are reporting that they had no cases at all, either outgoing or incoming, or opportunities to conserve business.

There have been no withdrawals of companies from the replacement group; likewise, there have been no complaints



FRANK L. JONES

about the proper consideration of each company for the other companies in carrying out the principles and rules of the plan.

There are 94 companies in the signatory group. Reports with complete figures were given by 63.

The committee calls attention to a study and publication on the subject of "The Replacement of Life Insurance Policies" by Charles Mann Winkler of Brooklyn. The study was a partial contribution to the awarding of the Ph.D. degree to the author. The author has used the reports and special pamphlets which the committee has issued from time to time throughout the past 13 years. He has made an exhaustive study, including tables of comparisons.

"It is generally agreed," he wrote, "that replacement of life insurance is undesirable for the policyholder who replaces and for the institution of life insurance which reflects the interests of all policyholders." The author also makes certain suggestions about added methods of control and it would be well worth the attention of the companies to study his suggestions and use them as well, Mr. Jones asserted.

The 63 companies reported a total of 562 cases consisting of opportunities offered other companies for \$7,066,306, and 464 cases, opportunities received, of which 209 for \$2,498,465 were conserved.

Working on Appointment of N.A.L.U. Committees

Because of unusual difficulties in establishing new committees of the National Association of Life Underwriters, announcement of new appointments has been delayed and will not be made till next week. It is known that Clifford Orr of National Life at Philadelphia will be the new chairman of the war bond committee in place of W. H. Andrews, Jr., who is now N.A.L.U. vice-president.

Three More Large Companies Join A. L. C. Ranks

Metropolitan Life, New York Life and New England Mutual Life have been elected to membership in the American Life Convention. This group makes five of the leading companies of the east that have joined the organization, the others being Mutual Life of New York and Prudential. President George Willard Smith of New England Mutual Life has acted as chairman of the Association of Life Insurance Presidents committee in the negotiations with the American Life Convention for greater collaboration and unity in procedure. President L. A. Lincoln of Metropolitan Life was chairman of the committee of the Life Presidents Association to attend the annual meeting of the American Life Convention in Chicago and took part in the deliberations there. In extending greetings from the Presidents Association he stated that all companies now regardless of age or size were on a cooperative basis. He said there is no need for any fear on part of any company as to what the big companies will do. He made a lasting impression on his hearers.

This leaves but a few of the so-called important companies of the east that have not joined the organization, they being Equitable Society, National Life of Vermont, State Mutual Life, Berkshire Life and Phoenix Mutual Life.

Partial Program for Commissioners Is Announced

NEW YORK—The program for the meeting of the National Association of Insurance Commissioners at the Hotel Commodore in New York City has been partly completed. The meeting will convene Monday, Nov. 29, at 11 a.m. in the east ballroom. Following a vocal selection by Mrs. J. Herbert Graves, wife of the Arkansas commissioner, Superintendent R. E. Dineen of New York will welcome the commissioners. Lee T. Smith, director of real estate, will extend welcome on behalf of the city. Either the presidential address of Commissioner Harrington or an address by Judge John B. Gontrum, former Maryland commissioner, will follow.

Either Judge Gontrum or President Harrington will speak at the regular session Tuesday, which will convene at 11 a.m. There is no luncheon scheduled that day. The final session will be held Wednesday at 11 a.m.

Programs of committee meetings will be available at the hotel Sunday afternoon, Nov. 28, and will be given publicity next week. Reservations for the luncheon Monday should be made as promptly as possible with the chairman of the committee, Albert N. Butler, 92 William street, New York City.

Northwestern Mutual's Policy Record Photographed

MILWAUKEE—Northwestern Mutual Life has completed work of duplicating its entire policy register on 16 mm. film, which will be stored away from the home office as a hedge against any catastrophe. Both sides of policy record cards were photographed simultaneously at the rate of 260 photos per minute. The 3,250,000 cards, 6 by 6 1/4 inches, require 3,096 filing cabinet drawers, these cabinets occupying workroom space equivalent to the area contained in three average six-room houses. By the microfilm method, 6,500,000 photographs of 3,250,000 register cards, both front and back, each one-quarter inch square, are filed in 822 film containers

occupying less than four cubic feet, the capacity of a small electric refrigerator.

Development of this work was begun by Assistant Actuary E. G. Fassel in 1934.

Club to Hear Talk on China

Mrs. Beatrice Price Russell, one of the outstanding authorities on China, will address the New York City Life Managers Association annual dinner Dec. 2 at the Waldorf-Astoria hotel, New York City.

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1 You save 10% to 40% discounts on some types of supplies beginning with orders for as little as \$10 worth.

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Johnson Says Public Relations Calls for Presenting Facts

If those responsible for the public relations program of the life insurance institution want to acquire a reputation for intellectual integrity they must present the facts, and not only the good but the bad, H. J. Johnson, president Institute of Life Insurance, told the Life Agency Managers of Chicago at a luncheon meeting Monday in a talk explaining the philosophy of the institute's program.

The public will be the judge whether the life insurance business is to continue under the present type of management or not, he said, and they also have the choice with whom they will do business and how. This must be understood in considering the problems of public relations work. He said the institute had been considerably criticized because it was apparently not sufficiently interested in the sale of life insurance. Mr. Johnson explained the institute's job is not predicated on caring whether the public ever buys any more life insurance but upon building the proper environment for the whole institution.

It is a complex job to reach the public, because there is no one public. The people break down into component parts, typed by occupation, age, sex, and so forth. Their likes and dislikes are different. Mr. Johnson said public relations is not a passing fancy, is not a matter of tricks, but is a fundamental conditioning of mind. It should start at home in doing a good job among one's own people. He said he did not believe anyone in Washington deliberately set about tearing down the life insurance institution but he said somebody came along with an idea and for the lack of a proper public understanding it was accepted.

The institute originally did not have a large appropriation, therefore it was modest. But the little two column advertisements containing Mr. Johnson's picture were found to have been widely read. They caused people to talk. He was opposed originally to having his picture run but it was necessary for some individual to be responsible for the statements in this ad. Tests on the west coast showed readership and recognition of these ads as high as 47%, and 27% claimed to have read all the copy. At first the ads were informational and then with the coming of the war were changed to a good citizenship basis, and later to health.

He stressed that life insurance was building a better reputation for itself in this health campaign by doing something voluntarily for the people.

K. C. Life Agency Official Honored by Staff

J. F. Barr, vice-president and superintendent of agencies of Kansas City Life, Nov. 1 celebrated his 70th birthday and at the end of 1943 will have completed his 38th year of continuous service with the company. He is being honored in November by a production campaign. It has been designated Barr Month countrywide, although initially only a few general agents and managers decided to hold the demonstration. The idea quickly spread from one agency to another.

Mr. Barr has devoted his entire business career to life insurance. He started as an agent of Mutual Life of New York at the age of 19. Later he went with New York Life, and in 1903, was appointed branch manager by Equitable Society. He held that position until he became associated with Kansas City Life at the end of 1905 as agency supervisor for Missouri. Early in 1923 he was promoted to vice-president and superintendent of agencies, in charge of the agency department.

Officials in Washington tried to get the life companies to spend \$2,000,000 this year for continuation of the health campaign but directors of the institute decided it was far more important to attack the problem of inflation. This was too big a problem for the institute to tackle alone and thus the organization of companies was formed which recently was announced representing over 85% of all legal re-reserve life assets. This campaign is having some effect and is helpful to the administration in its anti-inflation fight.

Mr. Johnson emphasized that congressmen, senators and administration officials represent an important segment of the public and if life insurance gets them rooting for the institution the situation will be better than if they are antagonistic to it.

Explains Philosophy

The institute was criticized for printing the fact that policy dividends were going down. Mr. Johnson said this was a fact, however, and soon would have become generally known. It was better for the institution to present this fact frankly and with the correct interpretation.

The press of the nation has been good to the life insurance business, Mr. Johnson concluded. The institute's policy when an inaccurate statement is made

in the newspapers is not to criticize but to send a letter explaining the fact and not even to ask that the correct story be printed. Often, he said, it is printed, however. Mr. Johnson asked how many times the life managers have sat down when they had read an excellent article about life insurance and written a letter of commendation to the editor.

No Slush Fund Exists

In a question and answer period Mr. Johnson said life insurance has no slush fund in Washington or any place else. The benefits of a well financed lobby in Washington, he explained, would be more than offset by the odium that would attach to maintaining one there. Moreover, there are so many able life insurance men in touch with the legislative situation in Washington and elsewhere that rarely is a measure introduced before the facts become known to the life people.

Shenandoah On New Basis

Shenandoah Life has changed to the American Men Ultimate 3% basis except for special option multiple endowment, which is to be continued on the American Experience 3½% basis.

Win friends by distributing 1944 Income Tax Reduction Records. Write National Underwriter for sample.

Litigate Issue Over \$15 Earnings Bar to SS Benefit

DULUTH—The public's ignorance of the social security provision which prohibits anyone from receiving retirement income if he earns more than \$15 a month in employment covered by the social security act is emphasized by the case of Herbert Warren, retired president of the Duluth Transit System. Life insurance agents have for some years used this provision as a sales argument for buying adequate retirement insurance so that the insured is able to forego working and thereby receive his social security benefits, but nevertheless the general public seems unaware of this aspect of social security.

Mr. Warren, after retirement from active business, decided to apply for the social security income, to which he was, of course, entitled the same as anyone else on whose behalf social security contributions had been made. In due course he began to receive his monthly checks. Some time later the social security board reviewed his case and decided that because he had been receiving committee fees for attending executive board meetings of the Morris Plan Com-



HE ARRANGED A STEPPING STONE TO FREEDOM FROM WANT

No one can tell what post-war conditions this lad is heading into. But come what may — even if his dad should not be here to support him — his education is provided for. He is sure of that stepping-stone to success. His father and the Great-West Life man made all necessary plans the year he was born.

As shown in this example of the Company's advertising, copy this year features the Great-West Life man. He is shown as one well qualified to provide the protection which assures both Freedom from Want and Freedom from Fear.

THE GREAT-WEST LIFE
ASSURANCE COMPANY

Head Office—Winnipeg

Business in Force Over \$740,000,000

—LIFE INSURANCE—ACCIDENT & HEALTH—GROUP INSURANCE—

pany, of which he was a director, he should be penalized an amount double what he had received from the social security board.

Mr. Warren contended that under the company's by-laws he was not an employee and that hence his remuneration was not salary within the meaning of the law. However, the referee ruled against him. Mr. Warren took the case to the U. S. district court, which reversed the referee. The case has now been appealed to the circuit court of appeals.

A curious aspect of the case is that, according to reports prevalent here, the U. S. district attorney tried to discourage Mr. Warren from going on with the case, on the ground that the publicity might reflect unfavorably against the whole old age pension setup.

The case serves not only to emphasize the fact that social security retirement income is useless to the individual who must earn at least \$15 a month in employment covered by the social security act but also brings out the plight of those who accept social security payments in ignorance of the law and go on working at jobs covered by the act which pay \$15 a month or more. The social security board's official compilation of laws states in part that "deductions, in such amounts as the board shall determine, shall be made from any payment to which an individual is entitled, until such deductions equal benefits for any month in which such individual renders services for wages of not less than \$15."

The prohibition on earning more than \$15 a month in covered employment also applies to income received by the widow under the survivors' benefits section of the social security act.

Arthur W. Mellen, Jr., 46, assistant treasurer of Metropolitan Life since 1936, died after a four-month illness. Mr. Mellen joined Metropolitan as a public utility analyst in 1931. He previously was with the investment banking firm of Harris, Forbes & Co.

Huebner Cites Services Performed by C.L.U. Movement

The American College is the first substantially complete program of higher education for a business calling under strictly private auspices and operated nationally on a basis of uniform standards, the president of the college, Dr. S. S. Huebner, declared in addressing the annual meeting of the Research Bureau-Agency Officers in Chicago. At present 92 universities and colleges are acting as examination centers. Life insurance people who have completed the entire program of study number 2,264 and 3,098 additional have credit for a part of the examinations.

Dr. Huebner said that he has been devoted to the cause of bringing to the agency division of the business the educational respectability which it deserves.

Dr. Huebner set forth some of the services performed by the C.L.U. movement. It identifies the fields of knowledge vital to the practice of life insurance selling and arranges them in a comprehensive program of study spread over a four year installment plan of preparation.

The movement assures under centralized control the administration and promulgation of a program of study, with adequate study groups, teachers and other factors essential to the awarding



Dr. S. S. Huebner

to properly qualified persons of a professional recognition. It provides a needed training program for established agents in order to broaden their horizons and to present the calling as a satisfying career. It stimulates the agent to make the best use of his powers and to view education in his calling as the best of all investments. It aids in the recruiting and inspiring of high caliber men. It raises production and increases persistency. It promotes standards of service and conduct. It cultivates the habit in agents of continued study throughout their working life. It identifies life insurance with the higher educational systems of the country and encourages and fosters the training of students for the career of professional life underwriters.

Education for Layman

One of the objectives of the American College is to promote general life insurance education for laymen. Just before the war 143 universities and colleges offered 157 separate courses of this nature with an annual enrollment exceeding 6,000. Nearly 70% of these courses were started within the lifetime of the American College.

Life insurance agents should be regarded along with lawyers, accountants and bankers as possessing special merit in advising on financial and business matters.

Expect Final Word on Illinois Bankers Life Situation in Few Days

Circuit Judge Miner of Chicago is expected on Friday to determine the form of decree that he shall enter in the Illinois Bankers Life case. At a hearing last Friday the sufficiency and propriety of a decree drawn by Attorney Vernon C. Loucks was examined. Mr. Loucks started the suit on behalf of the policyholders of the old Illinois Bankers Life Association, the predecessor assessment company, against the estates of Hugh T. Martin, A. T. Sawyer and W. H. Woods.

Attorney Edward R. Johnston, attorney for Illinois Bankers Life Assurance Company, as intervening petitioner, submitted a decree that differed in certain respects from that of Mr. Loucks and Judge Miner will have to determine which theory to accept.

Both Mr. Loucks and Mr. Johnston seek a money judgment against the Woods estate of \$160,000, since that estate owns none of the stock. They also both seek a recovery of the 20% of the stock that is owned by the Sawyer estate but they differ in what they want from the Martin estate which owns 80% of the stock. Mr. Loucks wants all of the stock placed in constructive trust for the benefit of the policyholders of the old assessment company whereas insofar as the Martin estate is concerned Mr. Johnston wants a money judgment.

In any event, it appears, the stock will have to be sold because the shares comprise almost the entire Martin and Sawyer estates and it would be necessary to sell them to satisfy a money judgment. The difference seems to be that if Mr. Loucks' theory should prevail and the stock were placed in a constructive trust, Judge Miner would have a very large voice in deciding to whom the stock should be sold whereas if a money judgment were entered against the Martin estate, the estate itself would be the one to negotiate the sale, although subject presumably to approval of the buyer on the part of the Illinois insurance department.

There are three bidders for the stock so far in the field—United Fidelity Life of Dallas, Paul Buckley of Newtown, Conn., on behalf of a syndicate the identity of which has not been revealed, and Alfred MacArthur, president of Central Life of Chicago.

If an appeal is taken, the defendants will have the problem of arranging large supersedeas bonds.

Penn Mutual Has Agency Building School Sessions

Penn Mutual Life has just held its 12th agency building school, with a class of 13 supervisors, one general agent and one associate general agent. E. Paul Huttinger, second vice-president in charge of its training department, acted as dean of the school. Seventeen members of the official staff acted as the faculty, and 10 leaders came in from the field to join the home office lectures.

The subjects covered during the two weeks' course came under three major headings: Management, agency supervision, and sales methods.

The home office group of speakers was headed by John A. Stevenson, president, whose subject was company management by trustees and officers.

In the two weeks of study, the members of the training school were able to draw upon the accumulated experience and thought of a broad cross section of the entire home office and field of the Penn Mutual, each member of the faculty concentrating on his own specialty.

Two additions to the faculty came from outside the business: Dr. M. G. Preston, psychologist from the University of Pennsylvania, and Dr. C. R. Whittlesey, economist, lectured on attributes of leadership and economic influences as necessary phases of knowledge to be studied. The managerial students came from 11 states.

R. C. Eckenrode, general agent at Williamsport, Pa., of Bankers Life of Nebraska, has been inducted into the marines and is now in training at Parris Island. The Eckenrode agency has been one of the company's steadiest and largest producers.



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You're not gambling with your time when you inquire about our incentive pay agency contracts. General agency openings are available in Iowa, Nebraska, Arkansas and Missouri.

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Group Life Wholesale Accident & Health Hospitalization

Labor Unions, Civil Service, Employees' Associations considered.

This comprehensive portfolio offers a well-rounded program covering the group insurance needs of all types of prospects.

For information regarding special groups call on your nearest USLife general agent.

RICHARD RHODESICK,
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101 Fifth Avenue
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North American's October in Honor of Its President

Every October the agency force of North American Life of Chicago honors President E. S. Ashbrook, whose birthday falls on Columbus Day, Oct. 12. The 1943 president's month drive produced the largest volume of business of any



E. S. ASH BROOK

month in the last 18 and showed a 43% increase over 1942.

The leading agency was the "Illinois Boosters," managed by John W. Hoffman at Peoria, who produced over \$600,000. Joe Bruckman of Peoria was the largest personal producer with 56 cases for \$137,000 and will be awarded the president's chair.

The first 10 leaders in volume constitute what is traditionally known in the North American Life as the "President's Cabinet" and each is awarded a cabinet chain and framed certificate of membership. The new members of the cabinet are: J. A. Bruckman, R. A. Dietz and J. W. Hoffman, Peoria; J. E. Fraser, Elgin; H. C. Knapp, Rockford; R. A. Lincoln, Monmouth; Louis Roth, Prophettown, and Bonnie Weaver, Canton, all from Illinois; R. M. Feely of Newark, and H. W. Schaefer of Milwaukee.

The Ohio Society, managed by H. O. Kramer of Columbus, was the second leading agency and the eastern division, with R. M. Feely, manager, Newark, was third.

Agents Compensation Now Being Studied By Chicago Association

A continuing study of the agents compensation problem has been started by the Chicago Association of Life Underwriters. A committee has been formed for the purpose, headed by Russell C. Whitney, Connecticut Mutual, as chairman.

Members of the committee are: Mr. Whitney, millionaire producer; H. K. Nickell, Connecticut General, also a millionaire, and C. F. Axelson, Northwestern Mutual, a successful agent. The two managers are: W. W. Woody, Equitable Society, and Woolf Guon, Metropolitan, Chicago managers; the general agent, James G. Hill, Connecticut Mutual, and the supervisor, G. L. Grimm, New England Mutual.

The committee's announced purposes are threefold: first, to study the subject as broadly and intensively as possible; second, to cooperate with other committees, groups, and individuals; and third to report its findings in as helpful a manner as possible to the association.

Premium Tax Case Won in Iowa by American United

DES MOINES—Iowa supreme court decided that the receiver, or an insurance company taking policies of a defunct company under a reinsurance contract are not liable for state premium taxes, in a suit filed by American United Life. The company had paid \$2,766 under protest on premium taxes of policies of the former American Life of Detroit. Three other companies having trust funds have paid the premium taxes under protest in similar cases.

The lower court held the receiver of the premiums in 1938 and 1939 was not required to pay the tax, but that when American United took the policies under contract it should pay the tax. The supreme court reversed the trial court, holding if the receiver was not liable the insurance company likewise was not liable. Under the contract the reinsurance feature was postponed 15 years or until the lien is completely removed. The supreme court held the tax is for the privilege of doing business, not in future nor for the current year in which the tax is paid, but during the year in which the premiums are received.

"We are of the opinion that continued existence of policies in the state and continued collection of premiums on them do not constitute 'doing business' within

Pacific Mutual Appoints Group Sales Supervisor

Pacific Mutual Life has added Robert A. McHugh to its agency department staff as group sales supervisor. Mr. McHugh entered group insurance work following his graduation from Stanford University in 1929. He formerly had charge of sales and service for one of the big eastern companies in five north western states, then in 1937 was transferred to Detroit as assistant divisional group manager for that company, in charge of Michigan.



R. A. McHugh

the state when unaccompanied by the writing of further policies," the court stated.

American United was held to have the status of a trust or agent, the premiums it collects not being its own, and the losses it pays are not paid out of its own funds but out of the fund. "The business it conducts is that of a quasi-re-

H. S. Jones Conducts Sales Meeting at Salt Lake

H. S. Jones, general agent of Penn Mutual Life at Omaha, was sent to Salt Lake City by the home office to conduct a sales and educational conference. There was an all-day program. Many present-day problems were discussed and sales ideas given. On the morning program appeared Mrs. Rena Smoot, cashier of the Salt Lake City agency, who reviewed the business for the past 10 months, and discussed plans for the next two months. Arthur Graves gave a presentation on "Business Insurance," the ways of handling business cases, prospecting for business cases, and the great possibilities of that type of business under present-day conditions. Mr. Jones gave some "Productive Ideas" all of which have been practiced in the field and proven as business developers.

A presentation of a recent sale was given by Mrs. Alice Doke, the agency's leading producer in lives. William Carter talked on "Programming."

ceiver or trustee and not of an insurance company. . . . What is being done to keep alive these policy obligations of the American Life requires no consent or license from the state."

All Set With Insured Insurability



The LNL policyholder owning a Low Cost Plan can buy War Bonds—pay taxes—carry adequate protection—and still keep an option on that special Life Insurance program he feels he should have *ultimately*.

LNL men are helping prospects and policyholders everywhere by presenting the

Emancipator and Life Expectancy policies. These plans provide maximum protection at minimum premium outlay and with conversion privileges and insured insurability. They give prospects an option on many of the types of Life Insurance ultimately desired for the perfect program of the future.

THE LINCOLN NATIONAL LIFE

INSURANCE

Fort Wayne



COMPANY

Indiana

Geared To Help Its Fieldmen

Yeoman Takes Post with Cont. Amer.

Patrick H. Yeoman of Baltimore has been appointed superintendent of agencies of Continental American Life and will soon move to Wilmington, Dela.



P. H. YEOMAN

where he will make his headquarters. News of the appointment was enthusiastically received by agents, for Mr. Yeoman started in life insurance work with Continental American in 1930 as cashier in the Wilmington agency and is widely known. He soon became interested in selling and was so successful in it that he was made a field supervisor and transferred to York, Pa.

Early in 1935 he became connected with the Wilmington office of Travelers. After quickly qualifying for that company's sales management school through personal production, he completed the school work and for a short time was field assistant covering Delaware and part of Maryland.

Transferred to Home Life

In 1936 he was appointed home office agency field assistant by Home Life of New York, his duties being to work with general agencies throughout the entire territory, particularly on sales plans and training men. June 1, 1938, he was made general agent of the Baltimore office of Home Life, a position which he has held until this time.

As general agent in Baltimore, Mr. Yeoman's record is outstanding. Starting with little organization, he built the agency in a period of about three years to a strong operating unit, producing a substantial volume of business, and also developing young, inexperienced men as salesmen. A very high percentage of the men he put under contract were successful, due to sound selection and training methods. His work in Baltimore is looked upon as one of the outstanding examples of constructive agency development.

Vice-president Bell will continue in charge of Continental American's agency operations.

Quiz Program for N. Y. Assn.

A 60-minute fast-moving quiz program will constitute the program of the New York City Life Underwriters Association Nov. 23 at the Hotel Pennsylvania. It will begin at 2:06 p.m.

Under the direction of Paul Orr, Jr., Mutual Life, educational vice-president and Sidney L. Wolkenberg, Union Central, six full-time field men who are writing a good average of ordinary business will act as a panel of experts. One is an industrial man who is also writing a good volume of ordinary business.

Following the 60-minute program the meeting will be opened up for questions from the floor directed to those on the program.

The association will take this opportunity to recognize the long and valuable

Research Bureau, Agency Officers Meet

(CONTINUED FROM PAGE 1)

must be observed. In the past, many salary experiments did not succeed for some ingredient seemed to have been missing due perhaps to independent contractor psychology, or poor selection, or training, or direction.

It may be that competition will force the industry to discover methods of making salary arrangements work. However, the employee status will require a philosophy not yet prevalent in agency work and will eliminate many of the current phases of the general agency system.

Permitting the apprentice agent to be an independent contractor, with such incentives as repayable advances, loans, etc. is still workable but the old system of letting him run into debt is obsolete. It is possible to use work activity units, or other bases, as well as volume of business produced, as an incentive. It is thus possible to provide for the work done in the training period.

Joint Work Possibility

Another solution to balancing the earnings with the budget is for the manager and his assistant to write enough volume jointly on the agent's prospects to insure that such balancing will take place. This requires hard work in the selecting, training, and supervising of the apprentice and in working with him.

Either method will be an immense aid in eliminating the unfit, for no company can pay a salary for long if the results do not warrant it; nor can an independent contractor's earnings balance his budget if he is unable to absorb training and have prospects enough to enable his manager to help him write the required volume.

Compensation should be in ratio for the work done so that it is not paid for work one does not want done. The real cost is dependent on the efficiency of selection and training methods, and success is dependent on willingness to work hard and upon the elimination of the unfit.

Irish Opens Convention

After fraternizing at a buffet luncheon, the group assembled for the first session Tuesday afternoon with R. E. Irish, president of Union Mutual Life, in the chair in his capacity of outgoing chairman of the executive committee of the Research Bureau.

W. M. Dewey, president of Edgewater Beach Hotel, extended greetings. The lead off man in the formal speaking program was B. N. Woodson, assistant manager of the bureau. In forceful style he implored the agency officers after the war to go forward from the high point that has been reached during the war period in agency standards.

A memorial service was conducted for Ray P. Cox, vice-president of California-Western States Life, who was a director of the bureau, and who died just recently.

Election Takes Place

New directors of the bureau were elected, the nominating committee report being made by O. J. Arnold, Northwestern National.

F. H. Haviland, vice-president of Connecticut General Life, was applauded in appreciation of what that company has done to advance the calling of life insurance selling and of Mr. Haviland's

service which John H. Hughes, former executive manager, rendered to the association. Mr. Hughes is now with Home Life of New York.

After the formal part of the program, J. M. Fraser, chairman of the payroll deduction division of war bond sales, will present Treasury Department citations to those members who did outstanding work during the third war loan drive.

exposition of that performance and the objectives.

Ray E. Fuller, vice-president of Equitable Life of Iowa, followed with recital of another project undertaken and well established—the agency council plan under which the Equitable field force gets formal consideration at the home office of any recommendations.

Jenkins Is Anchor Man

The anchor man Tuesday afternoon was W. R. Jenkins, sales director of Northwestern National. He also had the story to tell of major agency reform undertaken and well advanced—increasing the stable or permanent part of the sales force and reducing the shifting, unstable and failing to a minimum. He said Northwestern has undertaken to "skin the black cat" of agency instability without departing from the independent contractor tradition of the agency system and he implored agency executives to seek solutions within the framework of that system and not "in desperation to attempt to out-deal the risks of the agent's job with a new and better deal based on methods quite foreign to the traditional American agency system."

Representatives of companies with less than \$150 million in force gathered for a dinner session Tuesday, with R. B. Richardson, president of Western Life, officiating, and the industrial company group had a dinner Wednesday with E. B. Stevenson, vice-president of National Life & Accident, in charge.

At the dinner for small companies B. N. Woodson of the Research Bureau gave a talk outlining some of the things the bureau had done for the specific benefit of the smaller insurers. A. Gordon Nairn, Canadian Life Underwriters Association, gave a witty talk.

Another dinner Wednesday night was given for former directors of the Bureau by Mr. Holcombe.

The Edgewater Beach tendered a reception Tuesday evening.

Wednesday Morning Session

At the Wednesday morning session the presiding officer and first speaker was Chester O. Fischer, vice-president of Massachusetts Mutual. He was billed in the program as chairman of the board of directors of the Research Bureau, but the previous day he had been elected chairman of the executive committee. Pretending to fumble for his manuscript he got the meeting off to a merry start by his story of the progress of a successful man: First he stops pressing his own pants, then he quits shining his own shoes and finally he quits writing his own speeches.

Traces History of Conferences

Mr. Fischer in his address traced the development of research and trade conferences in life insurance and business in general. He predicted that the Research Bureau will be a potent factor in guiding post war agency developments.

Ward Phelps of the Research Bureau gave a report on the census of agents conducted by the bureau. This was followed intently. While the induction rate this year in the ordinary field has dropped to an extremely low level and the total number of agents is at a low point for modern times, Mr. Phelps detected a number of encouraging indications for the year ahead.

H. T. Burnett, vice-president of Reliance Life, told of the excellent results his company has obtained in the field of recruiting through a definite program that is religiously prosecuted.

Brings Group Up to Date

At last year's meeting W. S. Penny of Sun Life of Canada elicited the utmost interest as he revealed the incentive financing plan of his company. This year J. A. McAllister, superintendent of agents of Sun Life, brought the group up to date on the operations of that pro-

gram. Although the undertaking had been fairly well tested last year, Mr. Penny admitted that he could not speak authoritatively at that time from the standpoint of results. Mr. McAllister was able to speak from the record.

The final speaker Wednesday morning was E. Paul Huttinger, second vice-president of Penn Mutual, his topic being "Training of Tomorrow."

Wednesday noon the Research Bureau was host at the customary luncheon to the press, with Wendel Hanselman of Union Central presiding. Talks were given by Mr. Holcombe and by A. Gordon Nairn, field representative of the Canadian Life Underwriters Association, who took the place of J. C. Behan of Massachusetts Mutual as the story teller on these occasions. Mr. Nairn accommodated with some French-Canadian dialect stories.

The room was filled to capacity for the opening of the Wednesday afternoon session as the first feature was the report of the compensation committee by Mr. McConney.

Herbert A. Hedges Talks

Then came Herbert A. Hedges, Equitable of Iowa general agent at Kansas City, president of the National Association of Life Underwriters. Although his speech was largely the same as the one he gave at the recent meeting of the American Life Convention, few of those at the bureau meeting had heard him on the previous occasion and they were much interested in the emphasis that he placed on the various parts of his presentation. The N. A. L. U. was well represented at Chicago. Wilfrid Jones of the headquarters staff was on hand.

W. W. Hartshorn, Metropolitan Life, Hartford, N. A. L. U. secretary, and Clancy D. Connell, Provident Mutual, New York, had just completed a week's swing through Illinois addressing local associations and they will attend the meeting of the Illinois Life Underwriters Association at Peoria Friday and Saturday. James E. Rutherford, executive vice-president of N. A. L. U. was on hand for all sessions.

W. P. Worthington, vice-president of Home Life of New York, gave a stirring talk in which he undertook to eradicate any notion that some sort of magic can be performed with the compensation system that will automatically create a permanently blissful state in the agency field.

Mr. Connell was the next speaker. Largely through a series of questions he posed some provocative suggestions.

The final speaker Wednesday, J. A. Sully, air vice-marshal Royal Canadian Air Force, gave a thrilling message. He formerly was manager at Montreal for London Life. He discussed mainly selection methods in life insurance and in officer procurement in the military world.

S. T. Whatley, vice-president of Aetna Life, who has just recovered from a long siege in the hospital, got an ovation as he was introduced at the session Thursday morning which was under the auspices of the Agency Officers. Mr. Whatley is the outgoing chairman of the executive committee of the Agency Officers but did not preside as he has been in the hospital 60 days and only returned to his office last week. Grant L. Hill, superintendent of agents of Northwestern Mutual Life, was in the chair.

The speakers were Dr. S. S. Huebner, president American College; C. S. Fletcher of Studebaker, speaking for the Committee for Economic Development; Stephen M. Foster, economic adviser New York Life and Mr. Holcombe, who rang down the curtain with a great appeal to the agency executives of progress against the inertia of their daily routine, the conservatism of company management and against the complacency of good current production.

Registrations exceeded 400. That is the best attendance since the year that the American Institute of Actuaries was meeting at the same place and many actuaries attended the bureau sessions as well.

Ohio C. of C. Upholds State Regulation of Insurance

COLUMBUS—A resolution adopted by the directors of the Ohio Chamber of Commerce, which held its 50th anniversary meeting here, says:

"We believe that by tradition, by court action and by congressional recommendation, it is clear that the regulation of insurance in all forms is a right of the states and should continue so."

The business of insurance has always been recognized as a "private business contract proposition" and not "commerce" by the Congress and by the courts, the resolution said, "and we do not believe that an executive bureau or department of the federal government should undertake to determine public policy by judicial definition or process. The regulation of insurance is purely a state matter and ought to remain so because each state can adjust its policy and regulations to meet the economic and social conditions peculiar to it."

"In recent years the Congress has in certain instances expanded the term 'interstate commerce' to include matters affecting interstate commerce. We believe that a statement of the intention of Congress that insurance does not come within this terminology will prevent further expansion of court interpretations of what 'interstate commerce' is."

NEBRASKA DIRECTOR'S LETTER

LINCOLN, NEB.—Insurance Director Fraizer has sent a letter to the senators and representatives from Nebraska asking them to support the measures before Congress relating to jurisdiction over insurance. Mr. Fraizer said that with the very great extension of federal powers under the commerce clause, grave doubt exists as to whether state jurisdiction in the field of insurance is to remain complete. To settle this a declaration of policy by Congress seems desirable, he wrote. He added:

"It is submitted that state supervision has capably protected and is capably protecting the insuring public. There is no evidence supplied in other fields to indicate that federal supervision will render better service to American policyholders."

"After several years' experience in this office, I am fully persuaded a transfer to federal supervision would be detrimental. Policyholders are in constant touch with this office with reference to their rights and interests, and we can give final answers. Even if there were local federal bureaus, those bureaus would be required, as other local federal bureaus are required, to refer questions to Washington. It is safe to say that, at least in this area, such procedure would be almost unanimously disliked."

"Again, with such a vast amount of federal activity already added for more valid reasons, this field, which no one (unless it be those in federal bureaus) is seeking to transfer, should be left to the states. If an effort were made to classify companies operating wholly within one state into a state group and companies operating in several states into a federal group, the citizen would be deprived of the benefits of the present keen competition which inures to his benefit."

"Many of us are convinced that there must be a halt to the present movement towards federalization if our federal system is to be preserved and local government continued."

Hear Publication Men Talk

DES MOINES—The Des Moines General Agents & Managers Club heard a talk by Don Ross, merchandising manager Meredith Publishing Co., on "Selling the Farm Market." Hugh Curtis, managing editor, gave a brief talk. E. P. Connolly, Penn Mutual, president, presided.

Has Headed Bankers Life of Neb. for 25 Years



HOWARD S. WILSON

Howard S. Wilson is completing this month his 25th year as head of Bankers Life of Nebraska. He assumed the presidency following the death of his father, W. C. Wilson, at the age of 24 and was probably the youngest insurance company head in the United States. Under his administration the company's insurance in force has almost doubled and its assets almost trebled.

On their own initiative the agency executive committee composed of General Agents Lester Arwin, James Brown, Robert Burtner, Howard English, Earl Goodrich and Virgil Marshall, voted to make November a testimonial month dedicated to President Wilson. The goal is at least one sale from every agent under contract.

IN U. S. WAR SERVICE

Lt. Ralph Peters Missing

First Lt. Ralph Peters of Penn Mutual Life's Clark P. Erwin agency, Spokane, is reported "missing in action." He is an army pilot, had been stationed in England, and did not return from the raid over Schweinfurt Oct. 14, when 60 American bombers were lost. The attack was his 11th mission. He had participated in raids on Gdynia, Danzig and Munster. Overseas since July, he had received a citation and an air medal.

Lt. (j.g.) T. V. Drevescraft is now administrative officer at the United States naval air station, Manteo, N. C. He was formerly advertising manager of Union Mutual Life, Portland, Me.

Roy Frowick, assistant director of sales training department of Bankers Life of Des Moines, has been inducted into the army at Camp Dodge. He has been with Bankers Life staff 17 years and served as assistant to Director Tomlinson of the sales training department the past four years, conducting company training schools over the country.

Charles H. Heyl, director of agencies of Bankers Life of Nebraska, now on leave of absence in the artillery, has been promoted from first lieutenant to captain. He and members of his battery have been in training in the San Francisco area.

Robert E. Watts, formerly Kansas City general agent Pacific Mutual Life and son of John L. Watts, Chicago general agent, is field director of the Red Cross at Brownsville, Tex.

Paul A. Allen, acting general agent of Equitable of Iowa with the Hussey agency, Topeka, is reporting to Fort Leavenworth for military duty shortly.

Lieut. Col. W. D. Roth, former Prudential agent in Rochester, N. Y., is

now on the staff of Lieut. Gen. J. W. Stilwell in China. A letter from Colonel Roth to Clarence Rhodes, Prudential supervisor under whom he formerly worked revealed this and was featured in the Rochester papers. Colonel Roth entered active service in August, 1940, as a reserve first lieutenant. He was promoted to captain and, after session at the command school at Fort Leavenworth, Kan., served with the 7th armored division in Louisiana. From this post he was raised to major and received his present rank after more training at Fort Leavenworth. Before going to China, he was assistant chief of staff of the 7th armored division and went on a military mission by air to South America.

Lt. O. C. Mosman, Jr., formerly with the group department of Business Men's Assurance, was injured in a plane crash in California. The plane burned and Lt. Mosman was the most seriously injured of the crew. He is making good progress and expected to recover.

Frank A. Childers, associate editor of "Pelican," the Mutual Benefit Life publication for fieldmen, has been inducted into the army and is stationed at Fort Belvoir, Va. He was layout man and illustrator, and was largely responsible for the excellent appearance of the magazine, which again this year received the award of excellence in the annual competition sponsored by the Life Insurance Advertisers Association.

Percentage of Rejections of Life Applications

The total number of applications for ordinary life insurance in 1942 is estimated at 4,370,000. On this basis the 328,000 rejections represent 7.5% of total applications. It is further estimated that the applications rejected represent a total of \$564,180,000 of life insurance. This has been calculated by the research department of Institute of Life Insurance.

National Association Men Meet in New York Dec. 4

NEW YORK—Officers of the National Association of Life Underwriters will meet here at national headquarters Dec. 3 following the annual meeting of the Life Presidents Association. The meeting of the trustees that has customarily been held at this time will not take place, matters usually taken up at the December meeting having been handled at the trustees' meeting immediately following the annual meeting in Pittsburgh. This was done as a transportation conservation measure and as a means of getting the year's program under way that much sooner.

FLASH TO THE MEN IN THE FIELD

ON TO VICTORY!

Just as our men on the battle fronts can never for a moment afford to sit back after a smashing victory, neither can we on the home front afford to rest following a full day of resultful work.

The price of victory is great. We must constantly press forward. Do a little better job each day. Work a little harder. Accomplish a little more. But equally important is the constant recognition by men in the field that life insurance sold NOW is a tremendously important factor in winning the economic battle which is sure to follow final military victory.

Men of the Commonwealth are pressing forward every day with renewed vigor and increased determination. To them "On to Victory" is no mere slogan—it's the battle order of each and every day!

WHERE QUALITY MEN ARE BUILDING QUALITY VOLUME

Commonwealth Life

MORTON BOYD, PRESIDENT

HOME OFFICE LOUISVILLE

EDITORIAL COMMENT

Another Argument Against Federal Control

The grade of intellectual integrity behind U. S. Attorney-General's contention that the companies are inconsistent in favoring state supervision as against federal control since they held a contrary position some years ago is not such as to make insurance men look with any greater favor on the idea of a federal agency getting jurisdiction over them. The Attorney-General chose to make much of this change in attitude, contending that it sprang from a desire for a no-man's land to operate in, where neither federal nor state laws could effectively reach the companies' practices.

Mr. Biddle overlooks entirely the fact that a great deal has occurred since the companies shifted from one side of the fence to the other. Years ago the idea of having one authority to be responsible to rather than having to get along with every state a company was licensed in seemed an inviting prospect. State authorities were sometimes capricious. The general level of state supervision was certainly far below what it is today. However, the insurance commissioners themselves, through their na-

tional organization, have been instrumental in curbing wild-eyed notions that would have hurt the companies and done the policyholders no good.

For their part, the companies have learned to get along with state supervision. The existence of numerous separate jurisdictions allowed the companies to apply the law of average to their supervisory problems. One state might go off on a tangent and seriously hamper companies' operations in its area but it never happened that all states went in for some well-meaning but unsound experiment at the same time.

If the attitudes of the Justice Department and the Securities & Exchange Commission—the agencies that have investigated the fire and life insurance businesses respectively—are representative of the spirit with which a federal regulatory agency would approach the job of supervising insurance, it would be difficult to estimate the damage that could be done before a more conservative administration—either Democratic or Republican—could take over and try to correct the situation.

Danger in the Bureaucrats

There was a great upsurge of sentiment at the annual meeting of the National Association of Insurance Agents in favor of the movement of protecting insurance. Complaints are not made by policyholders or the general thinking public. The insidious attacks and the crackpot schemes all originate among the bureaucrats at Washington. There has been no demand on part of the people who pay the freight that insurance be prosecuted or that federal supervision be substituted for state control. As Senator Harry F. Byrd of Virginia put it, the whole aim of the bureaucrats is to hatch new plans for creating other bureaus so that more power can be given to the centralized government and more people employed.

The high water mark in this sentiment was reached during the patriotic and powerful address of Senator Byrd who did not hesitate to tell the insurance men just what was going on at Washington, how the machinery was being run, how billions of dollars were being expended unnecessarily, how the bureaus were expanding beyond all reasonable limitations. In fact, he said that the danger to the United States is not so much from its enemies abroad as from the bureaucrats at home. In

his opinion they are strangling free enterprise and endeavoring by every possible means to strengthen their hold on the social and economic structure of the country.

He urged that insurance and other industries appreciate the danger to which they are exposed and take up the cudgels in a militant, powerful manner. He asserted that a Congress opposed to bureaucracy be elected. In fact, he said that the great hope of the United States now rests in Congress. The executive department of the country is endeavoring to monopolize various functions, judicial and legislative. He called attention to the great body of law that is being created through executive order of which Congress has no knowledge.

Insurance men should appreciate the necessity for vigilance, defensive work, offensive operations. They should in every possible way call attention of policyholders to what is being done at Washington, how the effort is being made to further centralize activities there, the possibility of insurance being taken out of private hands. It is a day when every person in the business needs to stand valiantly for his own business and throw every possible bulwark against attempts made to injure it and

impair its usefulness. The United States is fast becoming a government by bureaucracy, by executive order and de-

cree, one that is creating laws through these orders without regard to the legislative arm of the government.

PERSONAL SIDE OF THE BUSINESS

Lt. Col. S. W. Duke, member of the Cincinnati agency of Ohio State Life, spoke at an Armistice day seminar held under the auspices of the Columbus Life Underwriters Association on "How Underwriters May Assist the Members of the Armed Services with Their Life Insurance Problems." He has been stationed in Columbus for some time.

V. J. Skutt, the newly elected secretary of the Legal Section of the American Life Convention, was born at Deadwood, S. D., in 1902. His first insurance experience was obtained as a high school student selling with his father, who was an agent for Equitable Society. He graduated from Creighton University College of Law in 1923 and was engaged in general law practice in Omaha a short time before becoming associated with Mutual Benefit Health & Accident. He has been counsel for that organization and for United Benefit Life since the organization of the latter company in 1926.

Mr. Skutt is chairman of the insurance law section of the Nebraska State Bar Association; chairman of the taxation committee of the Health & Accident Underwriters Conference and a member of the war policy committee of the conference. He is a member of the executive council of the insurance law section of the American Bar Association. He is a former chairman of the legal committee of the Health & Accident Underwriters Conference. He served at one time as national president of Creighton University Alumni Association and has held important positions in other civic and insurance organization work.

Charles E. Butler, manager Fidelity Mutual Life in the Board of Trade building, Chicago, is a well known football coach. He is a graduate of Beloit (Wis.) College and coached the football team there for some time after he graduated. He was one of the star athletes of Beloit. He lives at Glen Ellyn, Ill., and has been coaching the high school team there. Mr. Butler is a graduate of the Northwestern Mutual Life agency in Chicago.

T. Burnett of the property investment department of Pacific Mutual Life is on an inspection trip covering the district mortgage loan offices as far east as Cleveland.

George W. Steinman, president of Midland Mutual Life, has been reelected a director of the Ohio Chamber of Commerce.

Claris Adams, president of Ohio State Life, has become chairman of the Christmas seal campaign in Columbus under the auspices of the Columbus Tuberculosis Society.

Vincent B. Coffin, vice-president of Connecticut Mutual Life, Hartford, and Mrs. Willard H. Smith, Evanston, Ill., were married in New York at the Brick Presbyterian Church. The bride's son, Private Hawley D. Smith, who was to have given his mother in marriage, and

the bridegroom's son, Aviation Cadet S. Rush Coffin, who was to serve as best man, were unable to leave their posts. Mrs. Smith's daughters, Catherine and Jane, were her attendants. Mr. Coffin's father, Seward V. Coffin of Albany, N. Y., was best man. Mr. Coffin is a grandson of former Governor O. Vincent Coffin of Connecticut.

Commissioner Garrison of California has announced dissolution of the law firm of Betts & Garrison. Mr. Betts, who will continue the general practice of law in Los Angeles in association with William J. Currer, Jr., is the son of **Commissioner Betts** of Arizona.

At the national convention of Federal Union, Inc., in Peoria, Ill., **Lester O. Schriver**, general agent of Aetna Life, was in charge of Lincoln commemoration and arranged an extensive display as well as delivering a Lincoln address. **O. H. Naffziger**, also of Aetna Life, was in charge of delegate attendance.

Alfred Guay, Los Angeles general agent Ohio State Life, is now leading the field for the year. He has qualified for the President's Club every year since he joined Ohio State Life. Recently he wrote one application every day for seven consecutive days; Monday evening, \$10,000; Tuesday, \$10,000; Wednesday, \$25,000; Thursday, \$25,000 annuity; Friday, \$10,000; Saturday, \$15,000, and then another for \$10,000. "After dinner I have another appointment for a \$25,000 retirement income," he added.

Burke Baker, president of Seaboard Life, is a grandfather for the fourth time, a son, Burke Baker, III, having been born to Lieut. Burke Baker, Jr., and Mrs. Baker at Washington. Lieut. Baker is attached to the office of the Quartermaster General.

E. O. Burget, president of Peoples Life of Frankfort, Ind., suffered a broken leg in a fall in front of his home a few days ago. He had just recently completed recovery from injuries sustained in an automobile accident.

Miss Berenice Meistroff, Kansas City, one of the leading women insurance producers of Guardian Life, and Fritz Eichenbaum of Denver were married. The couple will make their home in Kansas City.

DEATHS

William Haigerty, 40, for several years field superintendent of American United Life was found dead on the street in Indianapolis. A preliminary examination showed no marks of violence and an autopsy failed to reveal the cause of death.

Ensign Judson E. Bailey, 25, agent of Phoenix Mutual Life in Syracuse, N. Y., was killed by an accidental gun explosion in the Pacific area.

James K. Dunlop, a well known figure in Richmond life circles for many years, died there. At the time of his

THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., Tel. Wabash 2704.

BUSINESS DEPT.: John F. Wohlgemuth, President. Howard J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer.

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November 19, 1943

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death he was with Provident Mutual Life. He was formerly with Aetna Life in Richmond, and at one time was a member of the general agency firm of Dunlop & Meyers there.

B. C. Lorraine, 61, Minot, N. D., local agent, who also was agency supervisor of Mutual Trust Life, died there. It is believed he suffered a heart attack while driving his car.

David W. Darden, secretary of Universal Life of Richmond, died there following an operation for removal of a brain tumor. The company was organized in 1935 to write industrial life and sick benefits with Mr. Darden as secretary. For 15 years previously, he had been secretary of Mutual of Richmond, now Old Dominion Life.

John Deeming, 90, died in Richmond, Va. Prior to his retirement, he was manager in Richmond of Prudential. Previously, he was with Metropolitan Life in a similar capacity.

David A. Funk, 58, died unexpectedly at his home in Kansas City following a heart attack. Mr. Funk had been associated with Kansas City Life 35 years. He began as a clerk in 1908, and was supervisor of the renewal department in 1934 when he was sent to Mitchell, S. D., as state manager. On his return to Kansas City in 1939 he joined the policyholders' service department.

Ross C. Adams, 35, assistant supervisor of Prudential in Kansas City, Mo., died of a heart complication at his father's home in Windsor, Mo.

COMPANIES

Provident L. & A. to Add Million to Its Capital

CHATTANOOGA, TENN.—Plans for increasing the capital of Provident Life & Accident from \$1,750,000 to \$2,800,000 have been announced by President Robert J. MacLellan.

He states that the directors approved the recommendation of the executive committee for an increase of the par value of shares from \$25 to \$40. A meeting of the stockholders has been called for Nov. 22 to ratify the action.

"The recommendation that the capital be increased was due to the large growth of the business over the past few years and for the further protection of the policyholders through a stronger capital structure," Mr. MacLellan says. No increase is being made in the present cash dividend of \$1 per share, payable quarterly. Provident is doing business in 35 states. It has annual premium income of approximately \$13,000,000 and assets of \$23,000,000.

Provident L. & A. is the third company in Tennessee within a month to announce an increase in capital stock.

A Dependable Record



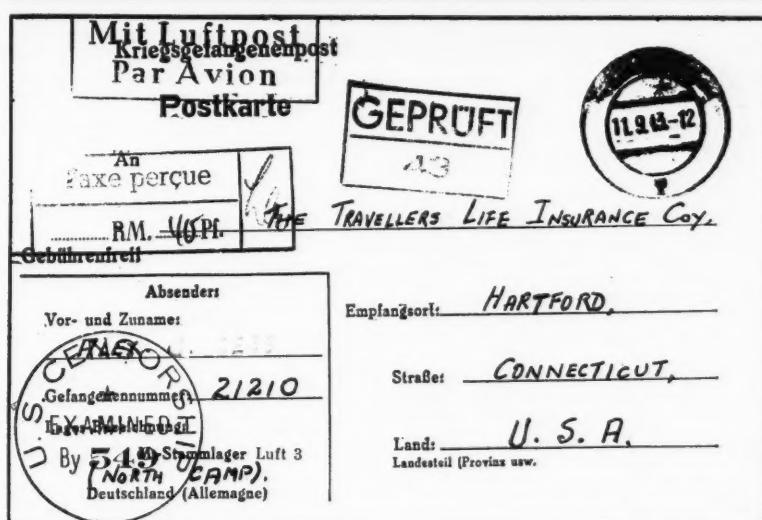
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Unusual Request for Sales Material



Kriegsgefangenenlager

Datum: 6 September 1943.

A former representative of your Company, John D. Lewis, of the Goldsboro Insurance & Realty Co., Goldsboro, N.C. now a P.O.W. here, suggests I write you requesting any & all literature you can send me on Salesmanship & Sales Methods, Sales Talks, & Techniques. He considers yours the best obtainable & I would greatly appreciate an opportunity of studying them whilst here. I am very interested in becoming a first class insurance salesman. Thanking you in anticipation, Yours faithfully, [Signature].

The above postal card recently was received by Travelers from a prisoner of war in a German prison camp. The sales material he requested was forwarded to him without delay.

Life & Casualty and National Life & Accident, both of Nashville, have previously announced increases.

Country Life Is Past \$200,000,000, Sets New Record

Country Life already has passed its goal of \$200,000,000 life insurance in force which it set for Jan. 1, its 15th anniversary. Dave Mieher, manager and superintendent of agencies, announced at the annual meeting in Chicago. Country Life is the first company with its business confined to one state to have written \$200,000,000 by its own agency force during its first 15 years of business, according to Mr. Mieher.

In the year ending Sept. 30, Country Life issued 10,063 new life policies totaling \$23,403,118, bringing its total in force to \$197,346,699. At the close of its fiscal year, assets totaled \$20,505,060, 18 1/2% increase. Claims totaling \$464,470 were paid and policyholders received \$350,976 in dividends. Surplus was increased by \$63,152 to \$2,423,415. Government securities were increased to \$6,673,498. The investment portfolio had a market value of \$16,933,498, as of Sept. 30, \$697,999 in excess of its book value.

Reinsurance Plan Approved

Commissioner Garrison of California has approved the reinsurance by Westland Life of San Francisco of Inde-

Committee in Charge of New York Luncheon

NEW YORK—Members of the committee in charge of the luncheon arrangements for Monday, Nov. 29 at the insurance commissioners meeting are: Chairman, A. N. Butler, vice-president, Corroon & Reynolds; Orville Davies, vice-president, General Exchange; C. W. Fairchild, general manager, Association of Casualty & Surety Executives; W. J. Graham, vice-president, Equitable Society; Jesse S. Phillips, chairman, Great American Indemnity; Junius Powell, vice-president, U. S. Guarantee; T. N. Silver, president, Lumber Mutual Casualty; C. G. Taylor, Jr., vice-president Metropolitan.

campaign honoring President T. D. Eilers' 56th birthday. Vice-president B. B. Gribble, who is in charge of life sales, is distributing sample policies and instructions to managers. World has been specializing in accident and health since 1903. Recently its charter was amended to permit the writing of life insurance.

Great Northwest Buys Building

SPOKANE, WASH.—Great Northwest Life of Spokane has purchased the three-story Sun Life building here, for a reported consideration of \$150,000. The property was originally owned by Western Union Life, which was reacquired some years ago by Sun Life.

The building now is occupied in part by various war agencies, but Great Northwest Life will occupy the entire first floor immediately.

New Stock Being Allotted

The 100% new stock recently voted by directors of Life & Casualty, increasing capital from \$2,000,000 to \$4,000,000, is now being allotted to stockholders following approval of the action of the directors by stockholders. Cash stock dividends will be paid Dec. 10 at the same rate as formerly.

To Vote on Stock Basis

LOS ANGELES—Policyholders of Imperial Mutual Life will meet Dec. 9 to vote on transforming Imperial from a Chapter 9 to a legal reserve capital stock basis.

Imperial Mutual Life is the only one of the 12 chapter 9 companies taken over by the insurance department in 1940 that has been restored to its old officers by the courts. It has continued to write business. It is now undergoing its regular triennial examination by the insurance department.

Something New Has Been Added

War has brought about many changes—many new developments—and many new inventions, which will revolutionize our lives and methods of doing things.

Atlantic's New Agents' Compensation Plan, which includes salary and incentive commissions, is geared to these changing conditions, and proving to be a successful plan for our field representatives.

Agency opportunities available in Virginia, North Carolina, South Carolina, Maryland, District of Columbia, Tennessee, and Texas.

★ ★ ★
ATLANTIC
LIFE INSURANCE COMPANY



RICHMOND • VIRGINIA

AMONG COMPANY MEN

Blanton Returns to Old Base

A. Howard Blanton has resigned as superintendent of agents of Volunteer State Life to return to the company with which he was associated for 17 years — Minnesota Mutual. He will operate as general agent at Charlotte, N. C., opening an agency there in the Johnson building, and will also do supervisory work in North Carolina, Virginia, West Virginia, Maryland and Delaware. Minnesota Mutual is entering the latter two states immediately.



A. H. Blanton

Mr. Blanton graduated from Davidson College near Charlotte and he is very much at home in that neighborhood. He started with Prudential in the ordinary field at Spartanburg, S. C., and subsequently was located at Rock Hill, S. C. He qualified during those years for the honor organization. Then from 1918-1923 he served as superintendent of agents of Atlantic Life when C. G. Taylor, Jr., was general manager.

In 1923 he went with Minnesota Mutual as general agent in South Carolina, opening the state. In his second year he had the fifth ranking agency. In 1926 he was transferred to home office supervisory duties in the south. From 1935-39 he was located at the home office. In February of 1940 he went with Volunteer State Life.

Two Assistant Secretaries of North American Life

Frank R. Thomas, chief underwriter at the head office of Great Northern Life in Chicago, has resigned to become assistant secretary of North American Life of that city, where he will occupy a similar position. He joined Great Northern Life when its head office was in Wausau, Wis., in 1922 and ever since has been in the underwriting end. First his duties involved only issuing policies but he gradually worked into underwriting. He is a native of Kansas but spent his youth in Louisville.

North American Life has also appointed L. O. Copeland assistant secretary. He graduated from the University of Iowa in 1930 and shortly thereafter joined the North American Life. In 1933 he was appointed assistant manager of the mortgage department. His new duties will bring him added responsibilities in the investment field.

Gode Assistant Treasurer

Carl A. Gode, Jr., has been elected assistant treasurer of Federal Life of Chicago, to fill the vacancy caused by the death of John F. Williams, vice-president and assistant treasurer, last April. Mr. Gode entered the employ of the investment department of Federal last July, and before that for some years was in the investment department of an Evanston, Ill., bank.

R. W. Hatton Is Retiring

R. W. Hatton is retiring as assistant secretary of Bankers Life of Iowa after

New Cal-Western States Official Is Agency Leader

Robert E. Murphy, newly elected vice-president and manager of agencies of California - Western States Life, formerly was manager of his company's Sacramento agency. He has had many years of life insurance experience in California and is thoroughly familiar with west coast sales problems. He has placed his agency into top ranking position in the company in volume of production, number of members in the leading producers club, percentage of new organization growth, and other quality factors.

Mr. Murphy was born and reared in McCloud, Cal. He graduated from Oregon State College in 1929. While in college he majored in business administration, advertising and selling. Before joining California-Western States Life in 1940, he was general agent of Lincoln National Life in Sacramento, joining that company shortly after his graduation from college. He is one of the youngest insurance executives in the country, as he just recently passed his 36th birthday. He has served two terms as president of the Sacramento Life Underwriters Association.

43 years with the company. He joined Bankers Life in a clerical capacity and since then has been connected with most of the departments at the home office. He has been in charge of branch office records, arranging agency space, equipment and personnel. He has been assistant secretary since 1918.

CHICAGO

SELF-STYLED AGENT GUILTY

Frank C. Hart pleaded guilty to a charge of larceny before Judge Daly in felony court in Chicago this week, he having collected premiums from a number of individuals on the representation that he was an agent for Guarantee Trust Life of Chicago. Hart did represent Guarantee Trust from March to June of this year but then his license was revoked. He will be sentenced Dec. 15. He stated to the court that he will make restitution to those from whom he got money. It was disclosed that Hart is an alien and his name is Russell Osgoodby of 2409 Thayer street, Evanston.

R. I. Bowen, an examiner in the insurance department, who is a son of Frank Bowen, insurance editor of the Chicago "Daily News," tracked down the case.

AGENCY REACHES 50TH YEAR

W. Stancliff Fuller, manager of the Chicago ordinary agency of Prudential, and his staff observed the agency's 50th anniversary. It formerly was managed by Jesse E. Smith. Major Fuller has been with the company 22 years and manager in Chicago for about six years. George L. Schomburg, the assistant manager, is a 20-year man and Brooks Fuller, assistant manager and son of Major Fuller, 13 years.

HOUZE HOLDS PARTY DEC. 14

William M. Houze, general agent of John Hancock Mutual Life in Chicago, will hold his annual dinner party in the Union League Club Dec. 14. This year he celebrates his 40th year with his company. For quite a number of years Mr. Houze has been holding these an-

nual December parties, inviting not only members of his agency staff, but also many friends among the Chicago general agents and managers, life insurance organizations in Chicago and John Hancock general agents in the vicinity of Chicago. His affairs also are attended by one or more officials from the home office. There will be a fellowship hour preceding dinner with appetizers and refreshments.

DR. FROST IN CHICAGO

Dr. Harold M. Frost, medical director New England Mutual Life, has been in Chicago this week conferring with general agencies on their special problems.

WATTS SETS NEW RECORD

In a six week inter-agency contest ending Nov. 13, the John L. Watts general agency of Pacific Mutual Life in Chicago wrote \$600,000, a new record for the agency. Up to Sept. 1 the Watts agency wrote more business than in any other full year in its history with over \$1,000,000 in new business. Mr. Watts is not finding it difficult to recruit new men, having added five new agents recently.

GINTER AHEAD 45%

Le Roy W. Ginter, Pan-American Life manager in Chicago, reports a 45% increase in paid business in October. Brokerage business is particularly good, Mr. Watts reports.

COOK AGENCY AGAIN LEADS

The Paul W. Cook agency of Mutual Benefit in Chicago again was No. 1 countrywide in that company in October for the third time this year and stands third for the year so far in paid volume.

MANAGERS

L. A. Starts Research on Post-War Agency Problems

LOS ANGELES—Research work on "Problems of the Agency System in the Post-War Period" has been started by the business practices committee of the Life Insurance Managers Association of which Walter J. Stoessel, National Life of Vermont, is chairman. Mr. Stoessel has sent a letter to each member of the association, stressing the need to get the machinery going so that agencies and companies may in the post-war period obtain the full benefit of improvements in the agency system.

Accompanying the letter was a questionnaire, divided into five sections:

1. Selection of Agents—What employment standards should be maintained? What selection system or systems should be used? How many apprentice agents should be hired annually? What state qualification laws, if any, should be adopted? What should be done about the return of agents from the armed forces and war industries? What policy should be adopted with respect to contracting the general insurance agents and brokers? What policy should be adopted with respect to the employment of part-time agents in rural territory?

2. Training and Supervision of

Agents—What knowledge and skills with respect to training and supervision should be possessed by persons engaged in management? What training program should be adopted for apprentice agents? What about the retraining of agents returning from the armed forces and war industries? What are the essentials of a sound supervisory program? What should be the attitude of the regular life companies and agencies toward the writing of general insurance by their agents?

3. Compensation of Agents—What are the essentials of a sound commission plan of compensation? Should new agents be paid a salary? Should service fees be paid on old business and on orphan business? What modifications, if any, should be made in state regulations dealing with agency expenses? Should agents be covered by the social security laws? What recommendations should be made with respect to company pension plans?

4. Conservation of Business—What conservation measures should be taken now? What steps should be taken for conservation or conversion of National Service Life Insurance?

Marketing Problems

5. Marketing Problems—How much will the life insurance market shrink because of the expansion of social security coverage, National Service Life Insurance, group insurance and pension plans? Can the market be broadened by radio, newspaper, magazine and direct mail advertising? What production programs should be set up by companies? What agency-building and production programs should be set up by agencies? In what ways can the Institute of Life Insurance and the National Association of Life Underwriters cooperate in increasing the demand for life insurance and in advancing the agency system? What can be done to promote the consumer education program?

Office Management Discussed

Following a dinner-meeting of the Life Agency Cashiers Association of Newark, Edgar A. Levesque, agency assistant to J. Bruce MacWhinney of John Hancock Mutual Life, conducted an open forum on "The Trend in Life Agency Office Management." He had just returned from any agency management conference at his company's home office.

Hughes Cincinnati Speaker

CINCINNATI—Frank C. Hughes, Wisconsin general agent of Mutual Benefit Life discussed "Today's Agency Problems and Post-War Plans" at the Associated General Agents luncheon.

Peoria Cashiers Hear Reno

John R. Reno, district manager of Equitable Society, Peoria, Ill., addressed the Life Cashiers Association there on "Beneficiary Provisions."

Miss Ludwig in San Antonio

The San Antonio Life Agency Cashiers Association had agency managers as guests to hear Miss Christine Ludwig, State Mutual, Chicago, immediate past president of the National Association of Life Agency Cashiers. Miss Ludwig paid tribute to the personal pro-

The Columbian National Life Insurance Co. Boston, Massachusetts

A VICTORY PROGRAM—

Back up the attack with War Bonds to hasten Victory.

Back up the home front with life insurance to insure the peace.

A NEW ENGLAND INSTITUTION

**Renewal Commission
LOANS**
LIFE UNDERWRITERS CREDIT CORPORATION
Minneapolis, Minn.

ducer, whom she described as creating the positions for the agency managers and the cashiers and as determining to a great extent the measure of success which the company achieves.

Miss Ludwig emphasized the fact that the cashiers association is not in any sense a labor movement but rather a movement to improve office service through an exchange of information and better acquaintance with the practices of the various companies so that policy-owners may be saved time and inconvenience. She said the organization needs the assistance of the home offices, general agents, managers and men in the field.

SALES MEETS

Pension Trust Plan Is Demonstrated in N. Y.

Sixty Connecticut Mutual agents and general agents from the eastern seaboard area who have had experience in handling pension trust cases attended an all day session on pension trusts in the Waldorf Astoria, New York City, conducted by the agency department. Vincent B. Coffin, vice-president and superintendent of agencies, explained that the purpose was to demonstrate Connecticut Mutual's new approach to underwriting pension and profit sharing trust plans, built around investment of funds in low premium ordinary life insurance and in an auxiliary investment account.

Details of this plan were presented by E. A. Starr, supervisor of employe insurance plans, then there was a complete demonstration of the pension trust interview, with Mr. Starr as agent and Robert B. Stockton, agency assistant, also of the employe insurance plans division, as the prospect.

Hold Southeast Iowa Meeting

The R. H. Pickford agency of Northwestern Mutual Life held an all-day meeting for some 25 southeastern Iowa agents at Cedar Rapids. Warren H. Lundgren, assistant director of agencies from the home office, and Don Ross, Des Moines advertising executive, were the speakers.

AGENCY NEWS

Stotz General Agency in Grand Rapids Now Has Retirement Plan

Raleigh R. Stotz, general agent of Mutual Benefit Life in Grand Rapids, has established a pension plan for all employees in his office. Women are to retire at age 60 and men at 65. Minimum monthly retirement will be \$30. Seven of the eight employees covered have been employed continuously for 12 years since the agency was started in 1931.

In addition to retirement there is provision for continuance of the employees salary to his or her family for 1½ years in event of death of employee. Hospital and surgical benefits are included.

This is the first of the Mutual Benefit's 65 general agencies to install a retirement plan, and is in recognition of loyal and faithful services of employees.

On two occasions the Stotz agency has been given the company award for all around accomplishments.

Honor Wiedermann's 30th Year

The San Antonio agency of Union Central Life honored Manager B. A. Wiedermann with a banquet in honor of his 30th anniversary with the company, including 17 years as a personal producer. Agents from the various towns in his territory were present and paid tribute to Mr. Wiedermann as a leader and friend. G. P. Gill of the San An-

LIFE AGENCY CHANGES

Aetna Names Kasch at Springfield, Mass.

Harold E. Kasche, a supervisor in the W. R. Harper general agency of Aetna Life in Philadelphia, has been named general agent in Springfield, Mass., succeeding E. M. Nelson, who has been appointed general agent in Grand Rapids.

Mr. Kasche joined Aetna in June, 1925, as a member of the auditing department, and after field experience in Detroit and Milwaukee was assigned to Philadelphia in 1928. He was named brokerage supervisor in 1930 and agency supervisor in 1938.

Mr. Kasche is a director and second vice-president of the Philadelphia Association of Life Underwriters.

Herbert R. Ward Detroit Manager of Guardian Life

Howard R. Ward, pension trust specialist of Guardian Life in Detroit, has been appointed district manager in charge of the Detroit branch. Mr. Ward, who formerly was with Mutual Life, joined Guardian last February and has made an outstanding pension trust production record.

The agency has been operating under B. L. Hundley, supervisor, since Glen Reem left last year to become manager in Rochester, N. Y. Mr. Hundley continues as supervisor.

Cowan Oklahoma Manager for Pyramid Life, Ark.

Sam M. Cowan, Oklahoma City, has been appointed state manager in Oklahoma for Pyramid Life of Little Rock. Mr. Cowan has been Oklahoma manager for Capitol Life of Denver, and has been a manager in the life field in Oklahoma for more than 20 years. His agencies have accounted for more than \$60,000,000 of paid for business in Oklahoma.

Offices of Pyramid's Oklahoma agency are in the First National Bank building, Oklahoma City.

Mason Associate at Flint

The Ohio National Life has appointed Andrew R. Mason an associate of its Flint, Mich., office. A former supervisor of Western & Southern Life in Flint, Mr. Mason has been in the insurance business more than 10 years. Arnold G. Hansen is general agent of Ohio National in Flint.

McWilliams to Newport News

Robert McWilliams, district manager of Life of Virginia, Lynchburg, Va., has been promoted to manager in Newport News. He is a past president of the Lynchburg Association of Life Underwriters.

Reliance Names Two in Miss.

Russell Ellzey and John L. Gainey have been appointed district managers for Reliance Life at Jackson, Miss.

Mr. Ellzey, a former congressman, has been in the life insurance business for the past five years with Standard Life of Jackson. Mr. Gainey was formerly business manager for the University of Mississippi at Oxford.

Klyne Named Supervisor

P. L. Klyne has been named brokerage supervisor of the Jack Warshauer agency of Guardian Life in Brooklyn. Mr. Klyne has been in the business for 14 years, since 1939 with Guardian and has been a consistently good producer.

tonio agency was toastmaster. A cut glass gift was presented to Mr. Wiedermann.

He attended Cornell University and is a graduate of the life insurance training course of New York University. He received his C. L. U. degree in 1932 and has served as Metropolitan district director of the Guardian C. L. U. chapter.

Amicable Life Change

Lynn Tenney, former general agent of the Amicable Life at El Paso, Tex., has located at Houston in a similar capacity, taking an office at 328 Bankers Mortgage building. V. V. Peterson, associated with Mr. Tenney in the El Paso agency since May, 1941, has been made general agent there. He is a former college professor.

Good Returns from Army Service

Lara P. Good, San Diego manager of Prudential and former secretary of the National Association of Life Underwriters, was recently discharged from the army after more than a year's service and has again taken charge of the agency there.

Thomas A. Gallagher, assistant manager of the San Francisco ordinary agency of Prudential, who has been acting manager in San Diego, returned to his former post.

J. S. Knight with Prudential

J. S. Knight, for the past several years general agent for Provident Life & Accident at Jackson, Miss., has joined the Montgomery agency of Prudential in the same city as special agent. During the first 30 days in his new connection he wrote more than \$100,000.

Moves Hubbard to Cleveland

Charles C. Hubbard, group assistant of Travelers in the 55 John street branch, New York City, has been ap-

Procopio Succeeds Beck as Head of Navy Insurance

WASHINGTON—Lieut. S. F. Procopio will succeed Lester Beck as chief of the insurance division, office of procurement and material, Navy Department, Dec. 1, it was learned here. Lieut. Procopio was formerly assistant superintendent of underwriting for Employers Liability in New York City. A graduate of Harvard, he has been Mr. Beck's assistant since May 18, 1942. He was promoted to lieutenant in September 1942. Mr. Beck resigned to become executive vice-president of Pennsylvania Casualty.

Reset Investors Syndicate Case

MINNEAPOLIS—Federal Judge Gunnar H. Nordbye has continued to Nov. 24 the trial of the Securities & Exchange Commission charges against Investors Syndicate. The pending case involves two counts of 16 originally filed against the Syndicate by SEC. The other 14 were disposed of by a consent decree Oct. 18. It is possible the remaining two counts will be disposed of in the same way.

pointed district group supervisor at Cleveland.

Gordon F. Osborne has been appointed manager in Windsor, Ont., by Empire Life. He has been district manager at Oshawa, Ont.

Great-West Life has appointed J. A. Wise supervisor in Winnipeg.

Ormond H. Minton, who has been an assistant superintendent at Red Bank, N. J., for Prudential, has been named superintendent at Poughkeepsie, N. Y. He will succeed J. Martin VanWagenen, who is retiring.

1903-40 YEARS-1943

The oldest legal reserve life insurance company in North Carolina, Pilot Life continues steadily on the course, proud of the part it has been and is today privileged to play in cooperation with agriculture, business, and industry towards the building of a greater and a more prosperous Southland.



Greensboro, North Carolina
Emry C. Green, President

NEWS OF LIFE ASSOCIATIONS

Building Business on Individuality

CINCINNATI—"In these days of rapid changes the successful life man must develop within himself the means of his own salvation, and I believe that's a good thing," Joseph Long, general agent Provident Mutual at Knoxville told the Cincinnati Life Underwriters Association. Speaking on "The Life Insurance Agent as an Individualist," he expressed the belief that too many people are relying too much on government paternalism and that the life man should build up his business on his own initiative, not even counting too much on home office help. Mr. Long urged that each agent work out for himself how current changes affect the methods of the sale of life insurance—although not what life insurance does—making the point that what the agent personally discovers becomes a permanent part of him and can be most effectively used in selling.

Specific Recommendations

Among the specific recommendations made by Mr. Long for the development of "independent processes of the mind" were to discard superstitions, analyze failures and successes, develop a friendly and neighborly attitude and learn to use dignity and self-respect as an asset. Friendship, dignity, cunning and self-confidence were listed as the four essentials to success. The development of a sense of proportion, balance and particularly a sense of timing are precious abilities to be sought by every agent, he continued, recommending that each agent fully recognize the importance of his work because this gives him confidence and a legitimate pride. Mr. Long urged salesmen to keep their minds unlocked—as a "swinging door" that opens easily to new ideas, to guard their habits regarding petty time-consuming details and to remember always that life insurance and the life agent are both indispensable.

Provident Mutual Men Present

Mr. Long was introduced by Henry Blohm, Cincinnati general agent of Provident Mutual, both of whom commented on being "on the spot" because of the presence of President M. A. Linton and numerous other out-of-town Provident Mutual field men. Mr. Linton spoke briefly.

William Hardy, New England Mutual, president of the association, announced that so far 74 agents had made blood donations since the 1st of October under the association's Red Cross blood donor campaign.

Cecil H. Gamble, general chairman of the forthcoming War Chest Campaign in Cincinnati, addressed the group, stressing the War Chest as a vital part in the war effort on all three fronts, the military front, the United Nations front and on the home front.

Important Job for Agent Noted by Thompson

Judged by the standards of wartime needs and postwar problems, the life agents have a job of first importance to do, H. B. Thompson of Detroit, secretary-counsel Michigan Association of Life Underwriters, told the Flint association at a luncheon meeting. Agents are helping to control inflation; they gather money to finance the war; teach people to set their sights high for personal social security. They make it unnecessary to have a Townsend plan or Beveridge plan. The cash values and retirement cushions which the policies that they sell contain will serve to reduce the number of "have nots" to a negligible factor.

Although some agents who have had unsuccessful experience with the high-paid workers in war industries have de-

clared they were too difficult for the ordinary life agent to reach and that the white-collared, professional and high-income groups are better to solicit, many thousands of agents have proved this is not a truthful criticism, Mr. Thompson said. Every agent should tackle this new field, both because it is there that inflation must be curbed and postwar depression thwarted, and because, legislatively speaking, there life insurance must make and keep its friends.

The policyholder must be protected against unfair legislation which would keep life insurance from performing its rightful function. That cannot be done unless life insurance men are doing a good job in centers where votes are becoming concentrated and are making and keeping friends for life insurance. The agents' job is to act in legislative matters always and only for policyholders, not for special privileges for agents or companies, and to convince legislators by their way of doing business and by personal contacts that organized life agents do speak for policyholders.

Connell Tours Illinois

Clancy D. Connell, Provident Mutual Life, New York, N.A.L.U. trustee, visited Waukegan, Elgin, Rockford, Freeport, LaSalle, Bloomington, Peoria and Galesburg, Ill., the past week, as a representative of the National association.

He was guest of honor at a small dinner party in Peoria. Among those present were O. H. Naffziger, president of the Peoria association; Norman E. Andersen, president General Agents & Managers Association; Edgar R. Small, vice-president of the association and C.L.U. president; Chester T. Wardwell, chairman of the state association's committee on local association management, and Margaret H. Becker, executive secretary of the Peoria and Illinois associations.

St. Louis—Glen Head of the field personnel division of Metropolitan Life, New York, spoke Thursday on "Life Insurance Today and Tomorrow."

Coffeyville, Kan.—New officers include: President, Arthur Webb, Aetna Life; vice-president, N. C. Bunch; secretary-treasurer, F. Thompson. G. H. Stangland is retiring president.

Kansas—Vernon E. Kauffman, Emporia, has been appointed chairman of the education committee by President W. A. Barton, Topeka. Statewide distribution of the books, "Handbook of Life Insurance" and "Life Insurance Dollars in Action" in the secondary schools of the state is the project of the committee.

Topeka, Kan.—A special membership drive has been launched. Col. Will Zurbucken, director of the state highway patrol and a former life man at Dodge City, was the speaker.

Fort Wayne, Ind.—Harry Stine, Equitable Society, led a sales clinic on "Estate Conservation" at an educational seminar meeting.

Indianapolis—Richard E. Mills, known as an after-dinner speaker, spoke at a luncheon meeting Wednesday.

Minneapolis—At the November meeting special recognition was paid Ralph Hamburger, who has just completed 25 years as general agent in Minneapolis of Northwestern Mutual Life. John W. Yates, California general agent of Massachusetts Mutual, gave the principal address on "Why and How Do We Sell Life Insurance?"

Chattanooga, Tenn.—Charles E. Brewer, Jr., assistant superintendent of agencies of Mutual Benefit Life, addressed the November meeting.

Northern New Jersey—Frank W. Henson, Provident Mutual, Newark, has been made chairman of the agents' council and Edward Jahn, Connecticut Mutual Life, Newark, secretary.

St. Paul—Prospects may balk at buying life insurance but they are still prey of swindlers, Robert L. Smith, Jr., Minnesota securities commissioner, told Twin Cities women life underwriters at a luncheon meeting. Mica mine swind-

lers are particularly active in this state, he said.

Mr. Smith also warned Minnesota investors who hold investment contracts with Fidelity Assurance of Wheeling, W. Va., that Nov. 22 is the deadline for filing claims.

Centralia, Ill.—W. W. Hartshorn of Hartford, secretary N. A. L. U., spoke in favor of the Bridges bill for income tax credits for life insurance premiums paid and for the Bailey-Van Nuys bills to exempt insurance from the federal antitrust act. He denounced the Wagner social security expansion bill.

Mr. Hartshorn said after the war the agents should encourage soldiers to convert their National Service Life Insurance to permanent forms and he warned against twisting this business into private channels.

Richmond, Ind.—George H. Hipp of the group department of John Hancock Mutual, Cincinnati, spoke on "The Life Underwriter's Part in Social Security." He said that it is the agent's opportunity and obligation to supplement social security income with sufficient life insurance so that standards of living may be maintained after the retirement period.

St. Louis—Glenn J. Spahn, head of the field personnel division of the Metropolitan Life head office, was the speaker this week. He is one of the youngest officials of the company. He started with the Metropolitan on a debit at Rockford, Ill., in 1927.

Dayton, O.—Herbert M. Eikenbary, attorney, who recently was honorably discharged from the navy, will tell some of

his experiences selling life insurance in the navy in the South Seas at a Thanksgiving luncheon Nov. 19.

Indianapolis—Miss Charity Kennedy, Mutual Benefit Life, was awarded a certificate of life membership in the Women's Quarter Million Dollar Round Table at a luncheon meeting Wednesday. Members of the women's division of the local association were guests.

Peoria, Ill.—Sgt. John Barry, who was originally scheduled to speak at the annual sales congress on Nov. 20, has been recalled to active duty and has been replaced on the program by Fred H. Haas, chief warrant officer, who has served in the navy during the past 40 months in the South Pacific.

Long Beach, Cal.—Charles E. Cleeton, Los Angeles general agent Occidental Life, speaks Nov. 19 on "The Life Insurance Man's Place Now and in the Post-War World."

Los Angeles—At a breakfast session Nov. 23, speakers will be W. E. Hays, director of agencies of New England Mutual Life and former general agent in Los Angeles, "On the Threshold," and Capt. Norman S. Nyce of the marine corps.

The southern California caravan presented a program for the Hollywood-Wilshire area with these speakers: C. W. Chamberlain, Equitable Life of Iowa, "Prospecting with an 'A' Book"; Martin I. Scott, of Scott & Co., "Opportunities and Responsibilities," and R. S. Summerville, New York Life, "Are You a Timekeeper?"

NEWS ABOUT LIFE POLICIES

Aetna Continues Dividend Scale, and 3% Interest

Directors of Aetna Life have voted to continue the present dividend scale for dividends to policyholders payable next year.

The rate of interest to be allowed in the participating department on the proceeds of policies left with the company for all payments falling due in 1944 and to be allowed on dividend accumulations will be 3% except where a higher rate is guaranteed.

The same rate of interest of 3% will be paid in the non-participating department on funds held by the company except where a higher rate has been guaranteed.

National Life, Vt., to Continue Scale

National Life of Vermont has announced that it will continue in 1944 the present dividend scale on all forms of insurance and retirement annuities. Likewise, the basis of surplus interest distribution on participating funds held by the company will remain the same as last year, 3.3%.

Home Life, N. Y., to Increase Rates

Effective Jan. 1, Home Life of New York will increase premium rates for all plans of insurance including family income and family maintenance benefits, in recognition of the prevailing low interest rates. The company will revise settlement options from a 3% to a 2 1/2% basis, and will revise the personal income policies so that the value at maturity will be sufficient to purchase the stated income on the basis of the revised settlement options and so that the death benefit will always be equal to such maturity value.

Other changes to be made will be minor in character. In case of applications and examinations mailed to the home office not later than Dec. 28, which can be acted on promptly, policies will

be issued on the basis of the present rates and settlement options.

Equitable of Iowa Raises Single Premium Life Rates

Equitable Life of Iowa has discontinued issuance of non-participating single premium life and participating single premium endowments. Rates on the participating single premium life have been increased a flat \$30 for all ages.

Single premium immediate annuity rates have been revised and are now on the basis of table 13 and 14 of the 1943 Unique Manual-Digest or tables 27 and 28 of the 1943 Little Gem Life Chart.

Reliance Life Broadens Its Non-Medical Plan

The Reliance Life announces that its rule restricting the writing of insurance on the non-medical basis to cities and towns of less than 100,000 population has been eliminated. Hereafter risks that otherwise qualify under the rules may be written on the non-medical basis regardless of their residence. The company says that this change has been adopted since its experience in writing insurance on the non-medical basis to date has been excellent and also because the shortage of doctors is now making itself felt more and more in even the larger cities.

Continues Dividend Scale

Directors of Continental American Life at their quarterly meeting decided to continue the present scale of policy dividends for 1944, and also to continue the interest rate of 3 1/4% on installment claim settlements and dividend accumulations.

Standardizes Applications

Mutual Life of New York has standardized the arrangement and wording of all application forms, including non-medical, juvenile and applications for additional insurance. The changes are the result of an effort further to simplify the field underwriters' job and to eliminate red tape, the company said in announcing the new forms.

Win friends by distributing 1944 Income Tax Reduction Records. Write National Underwriter for sample.

society writes legal reserve life insurance on the fraternal plan.

Assets of the Polish Roman Catholic Union were \$19,680,141, according to the report of examination filed by Illinois department. The society writes legal reserve life insurance on the fraternal plan and was formed Dec. 16, 1887. The examination covered the period Jan. 1, 1939, through June 30, 1942.

Total assets are \$19,680,141, liabilities \$18,375,848 and unassigned funds \$1,304,293. The report gives the ratio of solvency with mortuary funds combined as 106.1%. The society operates in 20 states.

Dedicates Service Flag

PHILADELPHIA—A service flag with 10 gold stars was dedicated at memorial services held by the Artisans Order of Mutual Protection in Town Hall. The flag was displayed later at the fraternity's headquarters in the Colonial building. The organization, it was revealed, has more than 2,400 members in the armed forces and has purchased more than \$1,000,000 in war bonds.

Bacon California President

Thomas L. Bacon, W. O. W., Denver, was elected president of the California Fraternal Congress at the annual meeting. Bess H. Hodges, Woodmen Circle, presided. She now becomes past president. Other new officers are: First vice-president, W. F. Gilroy, Modern Woodmen; second vice-president, H. S. Anderson, Ben Hur; secretary, Nick T. Newberry, W. O. W., Omaha; treasurer, D. V. Chapman, Macabees. The officers were installed by Judge J. H. Foley, director W. O. W., Denver.

Lawrence C. Utley, Modern Woodmen, has been awarded the F.I.C. degree.

Successful Field Force Is Aim

(CONTINUED FROM PAGE 1)

sult in improved earnings without increased cost to the policyholders.

Mr. McConney set forth certain basic principles such as that the apprentice agent when properly selected, trained and directed should receive some form of compensation and supervision which will enable him to meet a reasonable budget without going into debt; the established agent in his prime should be able to expect in return for adequate production and hard work stability of income, gradual increase in income as his renewals build up and a pronounced differential in reward for business of good persistency in contrast to that of poor.

Consideration of Veteran Agent

Also that the veteran agent whose physical condition is declining prior to retirement should have every consideration possible; the agent who retires or dies in service before retirement should have some provision made therefor; the agent who terminates other than by death or retirement should be taken care of in a pension plan by vesting in the form of a deferred paid up pension some or all of the company's contribution at as early a period of service as possible.

No Profit from Failures

That the contracts of general agent and branch manager must contain incentives for doing the right things that are to be done and should not contain ways of making a profit from failures. Every plan of compensation should be simple, understandable and frankly explained.

When these basic principles are observed, Mr. McConney declared, there will be a much better understanding of compensation and such erroneous con-

cepts as the allowance of so-called service fees on orphan business simply to finance new agents, to reward those not making a living or to increase the general agent's income will not occur. The problem of giving adequate service to existing policyholders under a detailed system of supervision is a complicated one and much more study will be necessary before the solutions are found.

Numerous experimental plans for the apprentice agent have already been set up and as a rule they aim to avoid the bugbear of debt. The plans for the established agent may be divided into two groups, he said. First, there are the 24 size A companies, according to the bureau classification, licensed in New York. Of these three have special plans suited to their objectives and traditions. Ten have recently adopted new plans in the general pattern of the basic principles and several more are in the confidential stage. Many of the plans have adopted a lower first year commission with larger second and third year commissions and almost all have continuous persistency awards. Some believe that the first year commission for an established agent can be placed lower than 40% with equivalent larger renewals.

Group of 300 Companies

In the second group are some 300 other companies. Some of these have new plans of compensation. He mentioned particularly the development of an incentive for business of good per-

sistency by Oregon Mutual, the Arnold plan of rewards for business of good persistency by Northwestern National Life and the Acacia Mutual plan. For the veteran agent many plans make provision for lower qualifications for rewards, so recognizing advancing age and a few plans make allowances for business written by these agents in past years.

About 60 pension plans are in effect. There is little information available on changes in general agency or branch manager contracts.

The big problem remains of the earning by the field force of an adequate income. Standards of performance and minimum qualifications must be established and the unfit eliminated. The fit and successful agent, he said, earns sufficient to meet the requirements of his budget; produces a volume sufficient to justify his maintenance cost; produces business of a quality in respect to persistency, size of policy, collection frequency, etc., desired by the company and is an acceptable representative in respect of character, public relations and creator of good will in his neighborhood for the company.

The industry is interested in compensating the good agent for a good job well done and this can be done in a variety of ways. However, no method of compensation will amply reward an unfit agent. Many wouldn't earn a living on 10 times 7% followed by continuous 11's. The big problem is the attainment of a fit and successful field force.

Deplores Drift to Home Office Control

(CONTINUED FROM PAGE 2)

attuned to that fact. His permanence, earnings and future will more and more rest in home office hands. The greatest mistake in management in recent years lies in the fact that it has permitted itself to be drawn increasingly into competition with just this kind of humdrum sales jobs, he said. Management has placed life insurance selling in competition with a million and one other sales jobs, and has tried to out-blast the immediate earnings the other jobs had to offer or compete with them in advances or subsidy offers. It has been vigorously trying to attract away from such jobs a calibre of men wholly unfitted to be independent contractors and who are unwilling to pull in their belt to take risks and to make sacrifices of the kind which are an inevitable part of establishing an independent business. Life insurance management either has lost talent or faith to sell straightforwardly the kind of job or career it has to offer, for fear the men might prove too weak to tackle it and turn it down.

Would Warrant Unionization

He suggested that it is possible that "we are heading ourselves straight toward the kind of sales force in which unionization is not only possible but is warranted." There is no objection to unions in their natural sphere, he said, but that sphere is a field in which a man's chance of progress, success and future earnings rests solely on decisions of management and not on his skill or willingness and ability to take risks. The principle of risk taking would be set aside and for it substituted union security. He declared that the decision rests with management and that decision must be made now or that it would drift into the ultimate pattern of home office control.

Mr. Jenkins said if he could be assured that the trend toward home office control and less risk for the agent meant a stable, low cost, high quality sales operation, he would be for it wholeheartedly. But as much as he is aware of the weaknesses and failures of the independent contractor system of the past, he knows enough about other types of sales operation, he said, at least to question its virtues as a cure-all to the problems of the agent or of management.

The central weakness of life insurance

distribution today lies in lack of stability in its agency force, he declared. This has led to a costly competition for "outlets," resulting in progressively lower standards of recruiting, and makes it unprofitable to invest the requisite amount of money in an agency force to assure need or program selling, maintenance of thorough service, and building of permanent markets. The solution lies in increasing the stable or permanent proportion of sales forces, now no more than 40% at best, and reducing the shifting, unstable and failing 60% to a minimum. A stable, controlled, economical sales force would consist of at least 80% of stable, established force and no more than 20% of shifting force. Such a force would largely solve most of the current management problems.

Stop Loss of Older Men

Northwestern National discovered that the first step in the solution to the agency was first to plug up the loss of older, established and proven men, he said. This was done not by subsidizing them in various ways, but by strengthening the agent's position as a successful, proud, truly independent contractor who, free of debt and obligation, realizes he controls the good will, the assets, and the full profits of a going retail or wholesale business.

The company's change in compensation late in 1939 was aimed directly at this older man. There was no pretense of covering new men. The aim was to stabilize the established or experienced man by making it possible for him to regain full independence. A major provision of the plan was aimed at debt elimination. The company did not want the control implied in being a creditor of its agents, he said. Nor did it want a creditor psychology to continue to pervade the dealings of the general agents and managers with agents. By these moves, turnover among older agents was largely stopped, removing the pressure all down the line so that the number of new agents contracted fell of 49% even in pre-Pearl Harbor days.

Turning next to a study of the special problems of the new man, Northwestern National found that it was taking 9 1/2 months to cancel out its failures, which Sales Research Bureau figures showed to be the average for the business. Many

Scheufler Defends Record; Answers McKittrick

JEFFERSON CITY, MO.—Superintendent Scheufler, whose dismissal from office was demanded by Attorney-General McKittrick in a letter sent to Governor Donnell, in an 8-page letter to the governor, declared that the attorney-general's letter was filled with many misstatements.

Mr. Scheufler defended his record in office and said he is the first insurance department head since 1922 who, on his own motion, effected a rate reduction "against the very companies which Mr. McKittrick accuses me of favoring." He entered a categorical denial to each of the five charges upon which the attorney-general asked his dismissal and added that he was at a loss to understand the attack made upon him "unless the attorney-general resents anyone else expressing an opinion, or unless perhaps because he is an announced candidate for the United States Senate."

He went into some detail regarding the letter that he sent to Senator Van Nuys of Indiana in regard to pending legislation at Washington, which was put into the record of a hearing conducted by the Senate judiciary committee.

good men were being lost early in their career even though they had achieved the production level common to those who became eventually successful and permanent; 40% of them were being lost before 18 months elapsed. Analysis of the reasons why those promising men quit showed a great bulk of them turned over because, while they were good salesmen, they were poor business men. Their causes of failure ran the gamut of Dun & Bradstreet's causes of retail business failures.

Northwestern National found practical methods of selecting early, after 60, 90 or 120 days, the potentially successful men, he said. They are invited to attend a home office school for two weeks at company expense, thus segregating early the men worth investing in and automatically eliminating men not worth investing in. The time for failing failures currently is about 3 1/2 months instead of 9 1/2 months—certainly a favor to the man who fails and a source of saving for the company and its general agents roughly adequate to pay for the investment in schooling in the better men.

Teach Man to Manage

The company spends 60% of the school time teaching the man how to manage a successful, independent business of his own, only 40% in how to sell, Mr. Jenkins added. None of the teaching is canned, but it is adapted to the agent's business and territory. The first step when he gets to the school is to analyze carefully his own market, whom he has sold, what he has sold, why, who his prospects are, his territory, locale, etc.

The whole process of selection, of training and of launching the agent into the field starts and ends on the assumption the agent is founding an independent business of his own. The company is not trying to shape his business to a pattern it believes ideal; but it is trying to shape its assistance to the pattern of his business.

There is more than one method of attaining agency instability, he said, but the danger is the system of independent, free enterprise in life insurance will be allowed slowly to pass away.

Thomas H. Eckhoff of Oskaloosa, Ia., and Ralph T. Walker of Norfolk, Neb., are the newest members of the Millionaires Club of Bankers Life of Nebraska, the million having reference to the amount of insurance in force. The club now has 25 members.

SALES IDEAS OF THE WEEK

Markets of Today Are Explained

A fine talk on sources of business was made by Paul W. Cook, general agent Mutual Benefit, Chicago, to the Life Agency Supervisors of that city. His address was drawn from the actual experience of the Cook agency this year.

Mr. Cook found that doctors and dentists have been very good prospects, as have fathers and sons. The latter classification has been good because Mutual Benefit writes up to age 15½ without attaching a war rider. With a vast post war expansion of commercial aviation a certainty, it is good business for fathers to secure life insurance for their young sons, as otherwise the boys when and if they take up flying will find their life policies would contain an aviation rider that would limit the coverage, Mr. Cook said.

Women Good Prospects

Women who earn incomes or are wealthy are beginning greatly to appreciate the value of life insurance, Mr. Cook said, and especially of the retirement income policy. There have been excellent articles on the subject in women's magazines and the women have become insurance-conscious.

Then there is business insurance, including five types of prospects which have been especially good. These are: The business where there is a key man who is going into government service and has been given a termination agreement with insurance; a company where a key man has gone into government service and has been succeeded by the main owner or some lieutenant who thus becomes the key man and needs to be covered by life insurance; straight indemnity, with the appeal of surplus accumulation, which has been employed for many years; stock retirement, and special partnership situations such as a man and his son.

Success Factors Are Told by Woman Company Official

Three factors are necessary for an agent to live successfully and happily with himself, Mildred Stone, agency field secretary of Mutual Benefit Life in the home office, told the women's division of the Chicago Association of Life Underwriters at a tea. These are to satisfy oneself, to understand oneself, and to forget oneself.

Miss Stone said the first and most important step for an agent to take in satisfying himself is to decide upon the objectives which he is willing to have. These may be high, low or medium but the agent must be sure that they satisfy him. He cannot give himself conscientiously and fully to program whose complete attainment will constitute falling short of what he really wants.

Must Understand Self

Then there is the question of understanding oneself. This is an individual matter and no formula can be drafted for accomplishing it, Miss Stone said. She told of one woman life insurance agent who found out that she did her best work by reading inspirational material for 10 minutes early in the morning. She kept a scrap book in which she pasted selected prose and verse, and also maintained a small library of inspirational books in her office. Some people can go it alone in the business world while others need to be associated with strong personalities in order to succeed. The point is, Miss Stone said, the individual must understand himself and his needs, and take care of them.

Then finally there comes the absolute necessity of forgetting oneself by be-

Another very prolific field today is pension trusts, Mr. Cook said. There are not many experts in this field and it behooves the average agent to find a pension trust expert and become associated with him in order to protect his regular clientele. Unless the agent does so he will find some other agent who has a connection with an expert cutting in on his business.

When a pension trust installation has been made there is very little likelihood that any other life insurance men will get much business there. However, the agent who sells a pension trust, by keeping his eyes open will be able to sell much other miscellaneous business on the ground that their premiums had helped to build up the surplus.

The federal district court in Chicago in 1939 dismissed the cases on the ground that there was no cause of action shown, and the circuit court of appeals stated it did not have jurisdiction. The cases were then transferred to the state courts by Attorneys David H. Caplow and Maurice L. Davis.

Tom Leeming of Eckert & Peterson, Chicago, is attorney for six of the 19 defendants in the case.

However, similar to social security, it may not completely solve the retirement problems of any individual employee. In effect, the employer says that he is making provision for the employee's retirement to have him paid 30% of his present income as a retirement income but that if he needs more upon which to retire he must do it for himself.

Similar to social security, there is much profit to be gained by supplementing pension trust plans by sale to individuals. A pension trust is a great stimulator of miscellaneous business, Mr. Cook said, and there is a very real market growing in the immediate neighborhood of pension trust plans that have been or will be solved.

There is an opportunity to write considerable business on persons who are covered under salary deduction life insurance plans. Mr. Cook finds that the people who install such plans do not always follow them up closely. A wide-awake agent can profit from this fact.

coming absorbed in the other person's problems. The really successful agents are like that. They become so keenly interested in working out estate programs, in solving tax and business insurance problems that they completely forget themselves.

Foster Takes Composed View

(CONTINUED FROM PAGE 2)

months ago and perhaps \$35 billion more was estimated 13 months ago. Not only is this tremendous volume of goods and services being supplied to the public but the nation is also carrying on an \$85 billion war and at the same time running its federal, state and municipal governments much as it has run them before. "It is the greatest tribute to American business genius that this has been accomplished," he asserted. "One might doubt if it could happen anywhere else in the world."

On the demand side, with certain exceptions, the people are acting in a most restrained and patriotic manner. They are paying taxes such as they have never paid before and from their net income after taxes they are buying war bonds and life insurance, are paying off mortgages, etc., and are giving generously to charity. Then with the money that is left they are to a surprising degree observing price ceilings, rationing regulations, etc.

He expressed the opinion that the \$90 billion of goods and services available for civilians is just about in balance with the residual amount of money that civilians are willing to spend under existing conditions. The work of the life insurance agent backed up by advertising is playing an important part in the final results. The important thing is that now

"Surplus Cases" Are Taken to Illinois Appeals Court

The so-called "surplus cases" in which attorneys for former policyholders are seeking to recover shares of the surplus funds of 19 mutual life companies, have been appealed to the Illinois appellate court. The circuit court previously had held that the plaintiffs had not stated a cause of action, and had dismissed the suits.

Attorneys for the plaintiffs contend that policyholders whose policies have lapsed, been surrendered or terminated are entitled to a distribution of the surplus funds of the various companies on the ground that their premiums had helped to build up the surplus.

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Tom Leeming of Eckert & Peterson, Chicago, is attorney for six of the 19 defendants in the case.

even in the midst of the world's greatest war the demand for goods and services is rapidly coming into line with supply. The price rise of this war is being more restrained than one would have expected it to be and more restrained than it was in the last war.

To those who fear really drastic inflation after the war, Mr. Foster stated, if production in war time can supply \$90 billion of goods and services for civilians at the same time it is supplying \$92 billion dollars to the federal government the over-all production if given adequate incentive should be sufficient to meet any reasonable demand for goods and services that will arise in peace time.

Easy Money Condition

Mr. Foster analyzed the interest rate situation, observed that the country has been and continues to be in an excessively easy money condition. Government borrowings of more than \$70 billion of new money within a 12 month period did not cause interest rates on the whole, to budge. He expressed the belief that there is now lacking any very compelling or convincing reason for expecting higher interest rates. Therefore he said he would prefer to accept the rates as they are and adjust the insurance company operations to them.

During the 1930's, he said, many institutional investors made the mistake of refraining from making long term investments on the hope that interest rates would start to rise again. Year after year they passed up investment opportunities such as they have never seen since. They should not make the same mistake now. "Let us not pass up the advantages of present yield possibilities by speculating for the more favorable opportunities of the future that often do not materialize."

Government Securities

Mr. Foster said that government securities are the best available in today's market from the standpoint of their intrinsic worth and the solidarity of their obligations. He said he questions whether the life insurance institution has not over-emphasized the patriotic motive in buying these bonds.

The investor in government bonds knows definitely that it can obtain a yield of 2½% while for all other types of securities the future and, therefore, the real return is now more than usually uncertain. There must be taken into account changes that may result from population shifts, from dislocations with the development of the airplane, changes eventuating from the manufacture of new products made of new materials by new processes. Some properties will improve their position but other properties will suffer materially. Accordingly a 2½% yield on a government bond is preferable to acquiring a higher yield by the purchase of some other form of investment. One does not have to have a

great deal of investment grief to wipe out the advantages of a few years of 1 or 2% of additional income.

Value of Agency Council Plan

(CONTINUED FROM PAGE 3)

council members is 51 and the average length of service is 21 years.

The president announces the personnel of the new council about June 1, and the period of service of a member is one year. It holds two regular two-day meetings a year. They are paid for their services and their expenses are paid. All newly appointed council members attend the annual meeting of the National Association of Life Underwriters as guests of the company.

The president of the company at the council's first meeting acquaints the members with their duties and opportunities, stresses the necessity of cooperation and emphasizes their duty of interpreting the field to the home office and the home office to the field. They are asked to interest themselves in anything pertaining to the best interests of the company, the field organization and policyholders. No official of the company will make any attempt to control or direct the tenor of council deliberations. The company may reject some of its recommendations but that is no reflection on the judgment of the council members. They are to serve as a clearing house for field problems.

The company informs the council members that all plans it originates affecting the field force will be discussed with the council for their consideration before taking action. All officers maintain open minds and suggestions and recommendations will be given careful consideration.

A substantial number of suggestions have been made with respect to revising and improving sales promotion and educational material. A complete revision of the direct mail system and the development of a new series of sales presentation forms are representative results of the suggestion made by the council. There have been recommendations with respect to new policy forms especially with reference to the expansion of the term rider attached to permanent policies out of which has come the "Multiple Protection Policy." It has become one of the most popular and salable contracts.

Another major council interest centered in non-medical business by reason of war time conditions with the result that Equitable entered this field and later extended the limits of issue and removed former territorial restrictions.

Mr. Fuller said that the recommendations have been most helpful with respect to the conduct of the company's school of instruction and review for new agents. Recommendations have resulted in changes of the production club rules. Their suggestions have been especially helpful in the entire field of sales contests and the consistent stimulation of sales effort.

Some Sample Recommendations

The council considerations have been of vital importance in the development and adoption of the following projects originated by the home office: 1. A new agent's contract effective Jan. 1, 1940, which provides higher renewal commissions in the second and third years and a perpetual conservation commission. 2. The development and subsequent liberalization of the company's retirement plan for agents and general agents. Thirdly, the adoption of adjusted compensation which is a financing plan for new agents. 4. The planned activity which is a combined agency record book and agency and company activity schedule.

Mr. Fuller said that one definite conclusion based on the experience of five years is that the councils have been constructive but at the same time conservative. There has been few impractical suggestions. Mr. Fuller asserted that

the company is wholly convinced that these councils have gone far beyond any other influence or factor in the attainment of morale. The company relinquished none of its responsibilities or prerogatives when the council was organized. It has kept pace with the members. Mr. Fuller does not believe that any field man has ever felt that its adoption of council recommendations has been in any way a reflection on capacity for management for leadership of any home office official. Operations of the councils for the last five years, Mr. Fuller said, have made it apparent to agents and general agents alike that there can be and is a full appreciation of the field man's problem as well as ready and intelligent cooperation in working toward the attainment of a common goal.

Induct All Men on Salary After War

(CONTINUED FROM PAGE 4)

certain that eventually production would follow but it expected temporary decreases. In the 10 years, except for the annual statement, there has been no publicity calling attention to any increases. Connecticut General did have a substantial increase last year and another this year but Mr. Haviland declared that this is not regarded as particularly important. The determining factor is the quality of work being done.

He expressed the belief that the volume objective is still a major deterrent in the industry.

Having suppressed the virtue of volume, he declared, Connecticut General has been able to teach its men more readily the proper approach to the solution of a man's problem. The agent is encouraged to put the emphasis on correct decisions and deliberate planning for the future rather than on whether the prospect needs any life insurance. In such a plan there is need for strong management in the field and strong control at the home office. The management schools that Connecticut General conducts are devoted to learning and relearning the processes of adequately managing men under one specific merchandising operation.

Esprit de Corps

He recalled that Connecticut General requires that in order to remain with the company an agent must produce a minimum of \$3,000 new paid premiums a year. That has established an esprit de corps in the agencies and built loyalty and pride of agency. For the remaining agents there is a method of compensation with group insurance, hospitalization and old age pension.

Through the aptitude index and a careful study of the man's background, the home office makes the final decision as to whether he shall be taken. By looking at his record from a distance in the long run the company saves agencies many headaches and helps cut down losses. The company restricts the number of men that an agency can recruit in relation to the agency's capacity to assimilate men.

Col. Button—a Picturesque, Colorful Public Official

(CONTINUED FROM PAGE 4)

extremely helpful in showing the ropes to new commissioners, some of whom took office breathing fire and a deter-

mination to effect sweeping reforms of what they felt to be abuses in the business. His method was always that of enlightenment and reasonableness rather than blunt opposition. One time, for example, a commissioner went into office who was full of radical and unsound ideas. Many of his fellow commissioners were for giving him the cold shoulder and the silent treatment. Colonel Button's views, however, prevailed and the decision was to welcome the newcomer with all cordiality and reason with him about his wild notions, a course which proved in the end to be more effectual.

Colonel Button's contribution to the work of the insurance commissioners was ably summarized by C. W. Hobbs of the National Council on Compensation Insurance, former commissioner of Massachusetts, and long a close friend of Colonel Button. Queried by THE NATIONAL UNDERWRITER Mr. Hobbs said:

"Due to an unusually long term of office, combined with a fine personality, genial, social, and shrewd, he furnished what a body with a constantly changing membership always needs, a relatively stable center, about which the body integrates itself, maintaining a continuity of thought and of policy with its past, and proceeds to fairly consistent and continuous action. In this respect he did an invaluable service both for the national convention itself and for the insurance business. His passing from office was a matter of profound regret to all and his death in the fullness of years removes from us a rare and well bred character."

Perhaps as good a summary of Colonel Button's career as anyone would want was contained in an address he made in October, 1926. At that time Colonel Button had just passed the three-score mark and had been insurance commissioner for 20 years.

Colonel Button recalled that his induction into office as insurance commissioner was almost coincident with two events that shook two of the older branches of the business from "center to circumference;" the first being the Armstrong investigation of the life insurance business in New York and the other the San Francisco disaster of April 18, 1906. Mentioning his first convention, that of 1906 at Washington, D. C., Colonel Button remarked that commissioners' conventions were not what they are now. The practice was for the executive committee to extend invitations to company officials to address the convention and the program was made up entirely of such addresses and in many cases the company officials would insist upon telling the commissioners how to run their departments.

"Happily, this was changed after the convention in Richmond in 1907," he said, "and now the commissioners do all of the talking and the company officials have to listen—whether they heed or not is another matter."

Colonel Button concluded his address with a bit of self-appraisal which all who knew him will agree was fully borne out by his life.

Decred Rush for Business

"As a commissioner with slightly more than 20 years of service behind him and over three years of his present term ahead of him I can say that during that time I have never aspired to or had any desire to hold any other office, nor have I ever sought a company connection, and whatever I have done has been for the good of the cause as I saw it, so what I am going to say now comes right from the heart. The great and overpowering evil of the insurance business today, in all of its branches, is the mad rush for business. The motto seems to be 'go and get it, good, bad, or indifferent, but get it,' the theory being, I suppose that it makes a good showing in the advertisements of the company that its premium income increased so many millions during the preceding year.

"Conservative underwriting seems to have become a lost art, everything now being based upon volume. . . . My final

word is: It is quality and not quantity that counts in insurance."

Colonel Button was a true exponent of southern hospitality in its most sincere and gracious form. The friendships which he made at commissioners' conventions and other gatherings were personal and enduring. He loved to entertain his friends at his home and to visit them at theirs. He took a real joy in doing kind and helpful things for people. Blessed with a high sense of honor, he was the ideal southern gentleman of the old school.

Hoosier Farm Has Sales Convention

INDIANAPOLIS—The seventh annual agents convention of Hoosier Farm Bureau Life and Farm Bureau Mutual was held here Tuesday.

About 200 agents were present. E. D. Stevens, director of sales, presided at all sessions. H. E. Schenck, who is president of the two companies, gave the address of welcome. He urged the agents to look on their calling as a profession and said if the agent will do a thorough and intelligent job, he will be well paid for his efforts and the public will be benefited greatly.

T. J. Womacher, general agent Porter county talked on "How We Get Business in Porter County." "How I Work With Other Community Groups" was discussed by E. Shaw, general agent, Ripley county. Just before the close of the morning session, C. R. Whitworth, general agent Henry county, spoke on "How I Write Life Insurance for the Entire Family."

The first speaker at the afternoon session was C. A. Rood, general agent, Wabash county talking on "Why I Chose to Work for the Farm Bureau Companies. " "How I Use Group Hospitalization to Sell Other Insurance" was the subject handled by E. G. Giggy, general agent Wayne and Randolph counties.

J. W. Schenk, general agent, Dubon-Perry-Spencer counties, spoke on "How Our County Farm Bureau Helps Promote the Insurance Programs."

George Gibbs, general agent, Hendricks county told "Why He Decided to Start Working Full Time Selling Farm Bureau Insurance."

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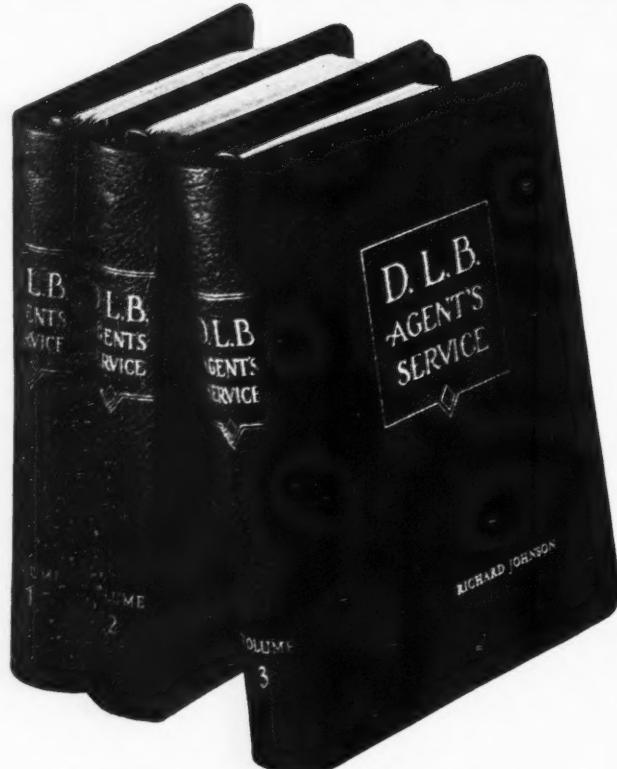
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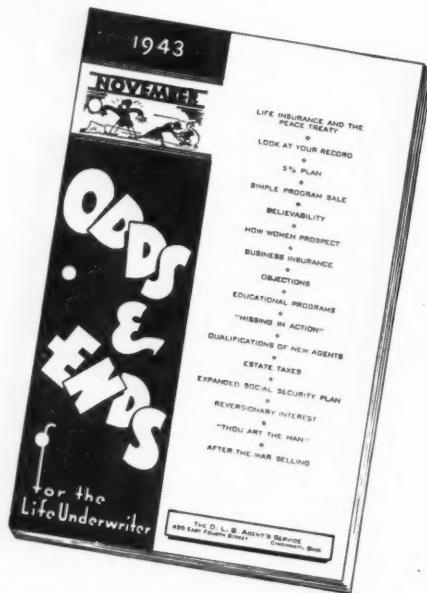
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